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HOUSING ACT OF 1985

CIS RECORD ONLY:

HEARINGS

BEFORE THE

SUBCOMMITTEE ON

HOUSING AND COMMUNITY DEVELOPMENT

OF THE

COMMITTEE ON

BANKING, FINANCE AND URBAN AFFAIRS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 1

A BILL TO AMEND AND EXTEND CERTAIN LAWS RELATING TO
HOUSING, AND FOR OTHER PURPOSES

PART 2

MARCH 5 AND 6, 1985

Serial No. 99-9

Printed for the use of the
Committee on Banking, Finance and Urban Affairs

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WASHINGTON : 1985

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HOUSING ACT OF 1985

TUESDAY, MARCH 5, 1985

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
Washington, DC.

The subcommittee met at 9:30 a.m. in room 2128 of the Rayburn House Office Building, Hon. Henry B. Gonzalez (chairman of the subcommittee) presiding.

Present: Representatives Gonzalez, Fauntroy, Oakar, Schumer, Levin, Carper, Kleczka, Kanjorski, Manton, McKinney, Wylie, Dreier, Bartlett, and Grotberg.

Chairman GONZALEZ. Please come to order.

This morning we will continue our legislative hearings for the 1985 housing authorization bill by focusing on the public housing and Indian housing programs. These programs have done a remarkable job of housing our lower income households in decent and affordable housing. In fact, today, over 1,332,000 households, 45 percent of which are elderly, call public housing home.

However, for the past 4 years this program has been under unprecedented attack by the administration. It has attempted through statutory, regulatory, and informal policy changes to make it harder for public housing administrators and residents to improve the conditions in public housing.

Fiscal year 1986 will be no different. In fact, the President's budget recommendations are much worse. No new construction, minimal modernization funds for emergency rehabilitation, and unjustifiable reductions in operating subsidies.

In spite of these overwhelming negative and discouraging conditions, dedicated public housing administrators and hard-working public housing residents are succeeding in making their homes a better place to live.

This morning we will hear from public housing authority directors who operate programs in communities as diverse as New York City, Denver, CO, and the Indian reservations of the Midwest.

In addition, we will hear from a very creative and determined community leader who has persuaded her local housing authority to give residents the opportunity to manage their own projects. Not only have the economic and living conditions improved for the residents, but the residents have saved the Federal Government money in reducing the need for operating subsidies. The Federal Government should do everything possible to support the efforts of these committed public servants and courageous residents to assure public housing remains a viable national housing resource.

Our first witness this morning is Congressman Molinari from New York, who has made a very interesting proposal designed to ensure the working poor in our communities are not neglected by the public housing programs.

Congressman, thank you very much for taking time to be with us this morning. We deeply appreciate it. You are recognized at this point.

**STATEMENT OF HON. GUY V. MOLINARI, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK**

Mr. MOLINARI. Thank you, Mr. Chairman. Thank you for allowing me to come before you regarding a matter of grave concern to me, and that is the open-ended rent-to-income policy for public housing tenants and the financial burden it places upon many working families.

In the past year, after conferring with housing officials and many public housing tenants, I found that there are well-founded fears that this policy may force the most stable working tenants out of public housing, thereby eroding the social and financial future of many projects and surrounding neighborhoods.

In response to this concern, I introduced H.R. 5627 in the 98th Congress, and H.R. 153 in the current session, legislation which would allow housing authorities at their discretion to establish maximum rents based on operating expenses and debt service for units, as well as other relevant factors.

I emphasize that the cap is not mandated upon public housing authorities but is, rather, made available as an option which can be used based on an authority's individual economic consideration. I am grateful, Mr. Chairman, that you have included such provisions in section 102 of the Housing Act of 1985.

A rent ceiling is necessary for the long-term future of this Nation's public housing program. In order to maintain an economic mix, a cross section of lower, low, and lowest income families and prevent the isolation of the very poor, public housing authorities must have this flexibility.

I believe enough evidence has been produced to illustrate that social change and economic mobility are enhanced by encouraging housing in which families of different incomes and of different age groups can live together. A broad income mix includes those who are largely self-supporting but still need some help in obtaining decent housing.

This group includes people with upward mobility who will provide leadership in developing good and stable communities. Should these lower income working tenants, many who serve as role models in the community, leave public housing due to higher rents, we would be left with dense concentrations of the very poorest tenants. Again, experience has shown that this may bring on higher maintenance and social service costs as well as having a detrimental effect on the neighborhood.

The positive effect these working tenants have on public housing cannot be denied. In fact, the New York City Housing Authority, which runs one of the most successful housing programs in the

country, states that the integration of various income groups is one of the key factors to its success for over 50 years.

Apart from promoting an economic mix, there is another very important reason for allowing housing authorities to establish a rent ceiling. If the lower income working tenants are driven out of public housing due to the inability to pay a higher rent, there would be a drastic loss in rental income to the authority, because the incoming tenants will have significantly reduced incomes and rent levels.

New York City, the area with which I am obviously most familiar, could lose as much as \$47 million a year in rental income if working tenants were forced out of the program. The result would be an increase of \$47 million in operating subsidies, to be paid by the Federal Government and the American taxpayer. In these times of great concern over Federal deficits, this does not seem to be the course of action we would want to follow.

The loss of a rent cap does not affect only large metropolitan areas. I have received letters of endorsement from such cities as Pueblo, CO, and Bloomington, IL, among others, on the need for a rent cap to ensure the future of their public housing programs.

In addition, my rent cap legislation has been endorsed by the National Association of Housing and Redevelopment Officials, the Council of Large Public Housing Authorities, and the Public Housing Authority Directors Association, three major public housing authorities.

In conclusion, Mr. Chairman, I thank you for the opportunity to appear before the subcommittee this morning. Let me express again my appreciation for the inclusion of the important rent cap provisions in the housing bill.

I would just like to add one thing to this, Mr. Chairman, if I may.

Chairman GONZALEZ. Certainly.

Mr. MOLINARI. I think one case in my district fully illustrates what we're talking about here and more graphically than anything that I could say or any testimony that I could submit. A young woman came in to see me with some tenants group, a black woman who formerly was on welfare, with two children, a single parent. A very common situation in New York City. She was in an apartment complex called Park Hill. And under the Carter administration they changed that complex to all low income. And inside a year, year and a half, she left there out of fear for her life and her children's lives.

She then moved into another complex that's owned by the New York City Housing Authority. She now has a job. She's making \$11,000 a year. She's raising her two children, two girls that she's very concerned about. And now, as she sees the changes occurring within that complex, the same kind of changes that occurred to her before, she sees no other choice but to leave that complex that she's living in now and perhaps to go back on the welfare rolls.

It is an absolute disgrace what we're doing to that young woman who is attempting to raise her family in an environment that would be conducive to upward mobility, as we call it.

There we have the classic example of somebody who has been through this before and again is experiencing the same kind of

problems. Now, I don't think that's the way we want to go, Mr. Chairman. We want to provide housing for a woman like that, let her continue working, let us assist them.

We have tried these experiments under administrations time and time again, but for some reason, government doesn't learn its lesson and they go onto the aegis that, "Well, we have limited housing and therefore it has to be set aside for the very poorest people who really need help the most." It's very simplistic. The very people they're trying to help are the people that are going to be hurt. And I am absolutely certain of that. I think the gentlemen from the housing authorities who will testify after me will be able to explain that better than I can.

But I appreciate what you're doing here. I think under this program and under this plan, Mr. Chairman. The real winner is—including the Federal Government—Mr. Stockman's office. But particularly, particularly we want to preserve the housing, and we want to give the people at the lower income strata an opportunity at fair housing and an opportunity to raise out of the ghettos that some of them would be forced into if we don't do something quickly.

Chairman GONZALEZ. Thank you very much, Congressman, for an excellent statement. And you're quite correct in your observations.

Mr. Bartlett, do you have any statement or question? You were here first, and we appreciate that.

Mr. BARTLETT. Thank you, Mr. Chairman.

I appreciate the testimony and the obviously well thought-out concepts of the gentleman from New York, who is considered in this Congress to be quite an expert in these matters and represents his State and his district well.

Mr. Molinari, I would wonder if you could think through for a minute with us as to whether a proposal that has been presented to me by the housing authorities in my area would solve the problem that you address, equally well. And that is, instead of a permanent rent cap, which would tend to perhaps freeze out some of the very low income families as other families stay in, if we couldn't institute some sort of a transition period instead to give low income families who are unemployed the chance to transition from unemployment into the world of work, say, a 2-month or a 6-month or even as much as a 12-month grace period to catch up so that their income could catch up.

Is that generally the goal that you're after—to give this transition or a chance for families to catch up?

Mr. MOLINARI. Well, what we're attempting to do is to restore what we had before 1981, to some extent, when there was a guarantee, a cap that was in effect that was the result of decades of research and proving that in order to have stable housing projects, public housing projects, you needed that mix of income levels. And they work and work fine. And what you find happening is that those who are unemployed see the others, the upward mobility factor, they see them working, they see them taking jobs.

And I have been in these projects. I guess I have been in 75 or 100 of them in my time. And I am so sure of what I am saying in terms of not destroying that very delicate fabric that we had in

New York City and the rest of the country. And while those in Mr. Stockman's office were well-intentioned when they came up with this proposal, in the real world it's not going to work.

So that what I am suggesting is, while we still have a stable mix, it's changing. People are starting to leave now and they're being replaced with people who, frankly, in most cases are not working.

This woman I talked about before, there is drug dealing going on now that never went on before. Her daughter was threatened by a knife. She's getting ready to leave; she'll be leaving there. It's a shame.

And this is something that we're going to see accelerated, and we are going to see, sure as hell, apartments vacated, destroyed, and burnt out like we've seen all over New York City.

We can stop that, but it's going to have to take action now, and I am afraid this year, because as you know, under the 1981 proposal each year those tenants face a 1-percent increase, so it'll go from 25 to 30 percent. But there used to be a cap of \$23,500. So if your income was over that, you paid a maximum of 25 percent of \$23,500. Now there is no cap and it's 30 percent of whatever you're making. If you have a husband and wife working, why, they're going to leave. They have to leave because it doesn't make sense for them to stay there.

Mr. BARTLETT. I appreciate the gentleman's comments.

Mr. MOLINARI. I would be glad, Mr. Bartlett, to sit down with you and look at the proposal, anything that's going to permit us to preserve that very valuable housing stock. There's not any money around to build new housing, so we've got to do what we can to preserve what we have. And we've done it rather well in the city of New York. I think Mr. Simon and Mr. Christian are some of the best managers in the country.

And if you look at the cosponsorship that I have on my bill, I have Ed Townes and Chuck Schumer, and Bobby Garcia, these are people that know what public housing projects are all about and they know what's going to happen if we don't take the kind of action that I am suggesting.

Mr. BARTLETT. I appreciate the gentleman's response. My suggestion is there may be several different approaches or several different ways to tackle the same thing. I don't have quite the confidence in the pre-1981 status quo as perhaps you've indicated.

One other approach—and you don't need to respond to this now—is something that this Housing Subcommittee considered and didn't adopt, but came close, in this last housing bill. That was, a minimum rent in addition to the maximum rent you're discussing, a minimum rent set fairly low for nondisabled, nonelderly tenants. After a 2-year or a 3-year residency, it would help to provide that assurance that public housing is not intended to be housing for generation after generation, but that it's intended to be much more of an emergency sort of housing. If you set a minimum rent, then we could allow the public housing authorities to use those funds for childcare or for rehabilitation or perhaps for security. It might be tied in with your concept of a rent cap also.

I would like to thank the gentleman.

I yield back the balance of my time.

Chairman GONZALEZ. Mr. Fauntroy.

Mr. FAUNTROY. Thank you, Mr. Chairman.

I, too, want to congratulate and commend you for the initiative you've taken in H.R. 153. The solution that you suggest to a growing problem in our public housing units is one that I favor. I want to commend the chairman for having included it in H.R. 1 this year.

I want to commend the chairman as well for visiting a public housing site here in the District of Columbia—the Kenilworth Courts—and listing for our mutual instruction the example of the management process there.

Mr. Chairman, unfortunately, I must chair a hearing of my own Subcommittee on Domestic Monetary Policy scheduled at 10, and I won't be able to remain throughout this hearing. However, I want you to pass on my word of commendation to Kimi Gray, even as I commend the gentleman from New York.

Chairman GONZALEZ. I certainly shall.

Mr. MOLINARI. Thank you very much.

Chairman GONZALEZ. Thank you very much. I really appreciate that, Mr. Fauntroy.

Mr. McKINNEY.

Mr. MCKINNEY. I really appreciate your testimony. Bridgeport, CT, is not much different from what's happening just across the Hudson. There are several things that really bother me. First, the small businessman who hires people who live in public housing and tries to help them along has to lie. We've built a whole generation of lying small businessmen.

I remember when I was in the tire business, I had people who would come up to Connecticut to get started. And they would bring their families up from, say, South Carolina, and they'd get into public housing. They were good workers and you would give them an increase. And business got good, and you'd give them overtime, and the next thing you knew they were going to be thrown out of their apartment unless you lied, because they were earning too much.

I always felt that one of the things we were doing with public housing was trying to build a base so that people could eventually move on. But you can't build that base if you erode it.

I went to look at the Nehemiah project in east New York, Brooklyn, and it's interesting—to buy one of those townhouses you have to have \$5,000 cash. But of the first 300 units built, approximately 140 of those people came out of public housing and they were, in fact, what you would call too rich for public housing but too poor to buy. But they were a stabilizing influence.

I have been trying, for instance, to try to condominiumize Marina Village in Bridgeport, 440 units of garden-type, front door, back door. It's possible—to co-op, excuse me, not condominiumize—under the theory that it doesn't make any difference who pays, whether you're paying the rent or paying the co-op, or who's paying it, HHS supplemental or low-income jobs or what. The fact of the matter is that by adding in that ownership and that pride of ownership, you free up the rehab money for those units we can't do that to.

I think what we really should be looking at is all of these different aspects. Father Panick Village in Bridgeport, which unfortu-

nately we rate as one of the worst in the country for its size, despite the fact that I have managed to get about \$18 million poured into it over the last 8 years is a good example. Now we're starting to look at sweat equity type of effort.

The housing authority signed a union contract that requires time-and-a-half if a furnace maintenance person works on a Saturday or a Sunday. So in essence, they don't work on a Saturday or a Sunday, so that if the heat goes out on a Saturday or a Sunday, you just don't get any heat.

I am hoping that people like yourself and the list you mentioned and this committee will look at the broad range of public housing and all kinds of innovative, nonformalized things we can do. And the rent cap is certainly one thing that has to be done. But we have to move then to find out how we make the system work, because if we lose that housing, we've got no place to go.

Mr. MOLINARI. Absolutely.

Mr. MCKINNEY. And that's one of the reasons I like Nehemiah because it will bring some homeownership. But it also, on the other side of the fence, free up public housing for those who desperately need it.

I really want to congratulate you on your testimony and also state that I know I am willing and my staff is willing—and I have been talking to the Secretary—to do almost anything we can do to make public housing work better and last longer.

One of the great enigmas of the public housing authority program—public housing—is that we, the Federal Government, pour money into it and yet have very little control over what a public housing authority does. We either have to declare that they're in violation of public health and safety or we have to find out that there is fraud or criminal abuse. We did find that in Bridgeport. We had three commissioners indicted. It makes it easier to get a new commission.

In the meantime, we're pouring all this money in from the taxpayers. No. 1, it doesn't seem to be doing anything. No. 2, a lot of it's being wasted. We don't have any control. And I think that our public housing laws need to be redesigned with the goal in mind that was originally there, beginning housing, low-income housing for those who can't do it themselves; not get as much as you can out of the tenant. That's just the opposite. Then we're behaving just like the slum landlord.

Mr. MOLINARI. I would like just to mention to the gentleman that there are several innovative programs being looked at in New York City today along the lines that you have discussed. The mayor has announced one program, and we have a thing called the "New York City Partnership," where again they're looking at programs like this to try to fill that void that exists out there today.

Mr. MCKINNEY. Well, we also in Bridgeport have an innovative one. We now have brought in a private management concern in that is running it.

Mr. MOLINARI. I would like to look at that and see how it's working.

Mr. MCKINNEY. It's been an amazing difference what a little management can do rather than politics.

Mr. MOLINARI. Yes, indeed.

Mr. MCKINNEY. Thank you.

Chairman GONZALEZ. Thank you.

Mr. Kanjorski.

Mr. KANJORSKI. Mr. Chairman, I don't have any questions, but I will say that Mr. Molinari is a very thoughtful, intelligent Member of the House, and he has brought up some very good points here which I think deserve consideration. It's a subject which probably ought to be revisited.

I do feel that you have made a significant contribution to our deliberations in this regard, and I thank you very much.

Mr. MOLINARI. Well, I thank the gentleman for his comment.

Chairman GONZALEZ. Mr. Kleczka.

Mr. KLECZKA. I have no questions, Mr. Chairman.

Chairman GONZALEZ. Mr. Manton, you slipped in here on me. You are recognized, Mr. Manton.

Mr. MANTON. Mr. Chairman, I want to commend Congressman Molinari for the good sense that his bill makes. Being from New York and having four major public housing projects within my district—Woodside, Queens Bridge, Ravenswood, and Astoria housing—which is surrounded largely by working-class and middle-class apartment houses and one- and two-family homes, we have that kind of economic integration that works so well in our society. I am a cosponsor of the bill Mr. Molinari has introduced.

Mr. MOLINARI. Oh, yes, I know that. I know. I identified everybody on the committee before I came in the room, Tom.

Mr. MANTON. It makes good sense because having had a few relatives that have lived in public housing when things were not so good for them, and then as time went on and things got better, they should not have been forced to move just simply because they were able to be upwardly mobile.

I think it does us a disservice if those who are able to educate their children or perhaps move up in their employment or where the spouse goes to work are uprooted because of the economics of the situation. And so I commend you and I am happy that we have a bipartisan sponsorship of this bill.

Mr. MOLINARI. Thank you, Tom. Let me just say that for some reason when we have a program that works, the Government is not satisfied with allowing it to work and we've got to tinker with it until we come up with a system where it doesn't work and then we have to see the ill effects of the fallout before we change our mind, and then we find ourselves reverting back to the system that did work.

But we go in that cycle time and time and time again. I thank the gentleman for his kind remarks.

Mr. MANTON. Thank you.

Chairman GONZALEZ. Congressman, thank you very much.

[The full text of Congressman Manton's statement follows:]

STATEMENT OF CONGRESSMAN THOMAS J. MANTON

Mr. Chairman, I appreciate your scheduling today's hearing and inviting local public house authority officials to share with us the problems they confront in meeting the housing needs in their respective communities. I think it is vital that we hear from those individuals who, on the local level, implement the housing policies we enact in Washington.

Mr. Chairman, as you well know, the housing crisis facing our Nation is a complex problem. Solving this problem, or simply easing the crisis, will be a difficult task indeed. But surely, reducing Federal support for assisted housing is not the answer. A 60-percent cut in Federal housing funds since 1981 severely aggravated our current crisis. Yet the administration has proposed to further cut Federal housing aid by 90 percent. Such a cut during the best of times would cripple local efforts to provide adequate housing for the poor and families of moderate income. But the virtual elimination of federally assisted housing programs as the number of homeless continue to rise while the number of affordable housing units continue to shrink is unconscionable.

Quite simply, the efforts to house lower and moderate income families, the elderly and the handicapped require the financial support of the Federal Government. This is a fact the Reagan administration has either failed to realize or refused to recognize.

However, Mr. Chairman, we must accept the fact that we are operating under severe fiscal restraints which require us to develop cost effective and innovative housing strategies. Policies designed to allow the working poor to attain affordable units in assisted housing developments benefit landlords and tenants alike while reducing costs to the Government. Programs aimed at helping lower middle-income families gain suitable housing should help to increase the number of units available for those of lesser means. Efforts to revitalize existing structures would further ease the current housing crunch. Finding adequate housing for the neediest families must be our first priority, but we must also address the needs of the less poor in order to assure the existence of adequate housing for all income groups.

Mr. Chairman, local housing officials have the talent creativity and commitment necessary to develop effective housing strategies. I look forward to working with you in the months ahead to make certain they have the funding and Federal support necessary to successfully implement these plans.

Thank you.

Mr. MOLINARI. Thank you, Mr. Chairman.

Chairman GONZALEZ. We do appreciate your interest and your help and the time that you have given us this morning.

Mr. MOLINARI. Well, I thank the Chair and the members of the subcommittee for listening to me. Thank you so much.

Chairman GONZALEZ. Thank you, sir.

Well, we're honored to have a very distinguished lady of the District. Some of the members of the subcommittee and I have had the great pleasure of visiting the housing project that she has become famous for, and that's Ms. Kimi Gray, who is president of the Kenilworth Court-Parkside Resident Management Corp., here in Washington, DC.

And I might say that we have pictures of our visit to your project, over to your right.

Ms. Gray, thank you for taking time. I know that it isn't easy, but we deeply appreciate it because it does mean a lot to us, and we're grateful. So we recognize you at this point, and you may proceed as you see best.

STATEMENT OF KIMI GRAY, PRESIDENT, KENILWORTH COURT-PARKSIDE RESIDENT MANAGEMENT CORP., WASHINGTON, DC

Ms. GRAY. Thank you very much. First of all, I would like to thank Mr. Gonzalez and the committee for inviting me here this morning. I am hoping that I will be able, prior to leaving, to enlighten this committee on some of the alternate ways of managing public housing.

I am a little nervous this morning. I have never had the opportunity to testify before a committee of Congress. But my residents and I both are honored.

Kenilworth Parkside Management Corp., began 7 years ago. The residents of our community became very frustrated with the manner in which National Capital Housing was managing our project. There was no heat, no hot water consistently. There were no jobs. We had roofing problems. We had vandalism. We had housebreaking. We had everything that persons believe that public housing is made up of.

And we the residents of the community believed this was a myth. In fact, we knew it was a myth. The myth was that residents of public housing did not care about where they lived, they did not care about the conditions in which they were forced to live. It was a myth that residents of public housing had no moral scruples or principles, that they did not know how to set standards, standards socially as well as economically.

And what our resident council at that time decided to do was to change that myth. And in doing so, in 1979, we organized the resident management corporation, and we strengthened our resident council, and then we began to learn management through a private company that was hired by the District from a demonstration program that HUD had funded.

This private company I can only say did not have the sensitivity or the commitment of the residents nor the developer. Being private, their concern was profitmaking. So therefore, the conditions did not change within our development.

In 1982—February 28, last week, was our third anniversary—we signed our first contract with the housing authority. I guess I am jumping, but I should take you back a little ways.

In 1974, Kenilworth Parkside, we organized a college program named "College Here We Come." Through that program we began to plan for ourselves, and we feel that that is very important because if you don't plan for yourselves, someone will plan for you.

We sent our students through college to major in every field we knew we would need to change our property around. And we did so. The first class graduated in 1979. We have an accountant. We have social workers. We have everything you need. We have a resident architect who is a graduate of Howard University. We have all that you need to make our property the perfect community in which to live.

From 1979 to February 28, 1982, we began to have a dream or a desire to determine our own destiny. We felt as if the residents did not have responsibility, they were not given the responsibility or allowed to have the role of determining their own destiny. We became what we call downtown. When the heat was off, when the pipes burst, you'd call downtown. I don't know if you're used to the profanity we use when there's no heat, no hot water, and the roof is caving in.

But then the resident management corporation, we were the ones that were responsible. We were the ones that determined what work orders were done. We were the ones that determined what staff was hired. We were the ones that determined what came first. And we set up committees.

In doing so—as I said earlier, February 28 was our third anniversary—in 3 years we have taken our rent collections from \$36,000 a month to \$87,000 a month. We have reduced our utility costs. We

have reduced our management costs. We have increased our staff. We have 30 positions, all paid through our rent collections, which is unbelievable. We collect enough rent to pay everybody a decent salary. All staff are residents of our development.

We have created 10 businesses on our property, all of which are managed or owned by the residents themselves, which pay the resident management corporation a fee for occupying the space for the first 6 months. We just assist them to get them on their feet. It works.

Each adult who has a business must then employ one of our youth, train them in what they're doing. We have businesses such as beauty and barber salon. We have our own co-op supermarket. We have our own health center. We have our own day care facilities. We have our own laundromat. We have our own screendoor shop.

Right now, the most exciting thing we're into is we're working with a florist in the city of Washington that we've been doing business with for a number of years. We have convinced Mr. Chisley to hire two of our young adults, and in doing so, he's going to train them to manage and run a florist's. And then we're going to set up a florist's shop on our property. We do a lot of business with Mr. Chisley. Our residents go to him when there are funerals or births or things of this nature.

Our businesses are basically created out of necessity. We found in resident management, if you don't have economic development, then your management company wouldn't survive, because we have found with the local housing authorities that they have seen us as a threat instead of as an asset.

All we've attempted to do is to work with the housing authority, and in the 3 years that we've managed Kenilworth Parkside, which consists of 464 units, we have returned better than \$2 million back to the District in our subsidy because we said that we could do without it. And that was our agreement when we first started off: You keep the subsidy, and just let us manage.

Well, that's been beautiful because the housing authorities had to use our subsidy to help some of our sister properties. And I don't want anybody to misunderstand that Federal subsidies are not needed, social programs are not needed, but what we're saying is that if the residents are given the responsibility, if residents are given the opportunity to manage and determine their own destiny through the rent collections, which the residents will begin to pay then because then they will feel as though they know where their money is going.

For instance, let me give you an example. We have done something that's really remarkable—I know Mr. McMurphy likes it anyway—as we began to create training programs and get our mothers back into jobs after they finish their training programs, we found that we brought some of our husbands back home. No one wants to be associated with anyone doing bad. And so we've found that a number of our fathers have returned home now. And also what has happened is that a number of our fathers who have skills that were unemployed, they were living in the homes without being reported, it's all come to light now, they report it because they are there, they have gotten jobs, they have income.

We have rents within our complex that are as high as \$749 a month. And folks refuse to leave our property because this is their community. They take care of it.

I know that you all have read about Kenilworth, as we have had to fight off, literally, drug pushers and drug addicts from our property. When the city began to clean up the main part of our city downtown, all the drug pushers and drug addicts ran to the suburbs. And I believe when Congressman Gonzalez' staff came over, they witnessed the drug addicts that were there.

We work very closely with our metropolitan police department, and today you can go there and there aren't any drug pushers. We met with the drug pushers. We fought them, we marched against them, and worked very close with our police department.

So now our mothers can feel free about going to work, returning home, and not being afraid of being robbed. If you check with our local precinct, sixth district, our captain and Deputy Chief Thomas, you will find Kenilworth Courts has no house break-ins, we have no vandalism. We have a property that's clear of that because the residents do not allow that. We set the standards for our living conditions. No one else is allowed to do that.

However, we accept residents from our waiting list of PMA, but whereas we're different, we do a screening process. We come to your home. You're not accepted readily because you're making x amount of dollars. You're not accepted readily because you wear a three-piece suit and you come up here just saying, "I can afford to live here." No, that's not so.

And we also want you to understand that we want a mixed economic community, because if everybody's pulling together, then you can help one another. And that's what makes our property unique and different.

We determine our own destiny. We work very closely together. We work with the housing authority. It's given us great technical assistance. They understand now that we aren't trying to take anyone's job. What we told them was that when we became a resident management corporation, that that meant they had more staff now to put on other properties.

We give the housing authority some of our ideas. We do our own vending, so therefore we can select better quality material. We work with the vendors to make sure that each of them hires our residents. We are a very unique property in that we care about our community.

We work together. There is no head person in charge. There's an elected board of directors that consists of all public housing residents. We have an economic development committee. We have a maintenance monitoring committee. We have a social service committee. We have a cultural committee. We have all the committees you could name, and they're all manned by residents themselves. The residents sit on the boards. The boards have regulations. They're general population. They vote on the regulations. And we find that it works perfectly.

When we were honored to have Mr. Gonzalez and his committee there, the residents were very pleased that folks would even think to come over to see what we were doing. Our first 2 years were, if I may say, hell, because the first 6 months in operation no one came

to see us, didn't care about us. But we wouldn't give up. And that's what you'd find would happen throughout this country.

What we have tried to provide HUD—and I have met with Secretary Pierce—is an alternative way to manage public housing. What we understand as residents of public housing is that we see that the plight is to get rid of public housing. You can't do that, because there are too many low- and moderate-income people in this country that need shelter. There's not sufficient shelter now. But our ultimate goal in Kenilworth—and I know of several parts of this country—they want homeownership. We want to set up a co-op where the resident management corporation will own our property and we will be able to assist residents in working their way up.

As I said to Sam Pierce at HUD: "Secretary Pierce, you cannot pull yourself up by the bootstrap when there are no bootstraps. First you must provide the leather, and then from that point on people will work on." I think he understood. We had a very fruitful meeting.

Also, from the residents of our community, again, thank you very much for giving me the opportunity to speak before you. If there are any questions, I will be glad to answer them.

Chairman GONZALEZ. Thank you very much, Ms. Gray. I would like to thank you very much, Ms. Gray, and I think you know how we feel after a visit and we felt that way before and I don't have words with which to praise enough your leadership and your tremendous ability that has really forged this very successful experience.

One thing that I find very pleasing, myself that is, is that I haven't heard anybody call you a Socialist up to now. And that's good.

I, at this point, recognize Mr. Wylie.

Mr. WYLIE. Thank you very much, Mr. Chairman.

Ms. Gray, may I say that your testimony has been most impressive to this member. I have in front of me here a report which was put together by Cicero Wilson, who is a resident fellow of the American Enterprise Institute, and he says that your success has been outstanding over the past 2 years and he refers to this as a model of what can be done in the area of public housing.

You indicated a little while ago that you had said in one instance: "Keep the subsidy and let us manage." That's an idea that might catch on. But how much are these units rented for? You have a 464-unit complex it says in here. How much do your units rent for?

Ms. GRAY. Twenty-nine percent of the annual income of the residents. We do not function or operate any different than public housing property.

And Mr. Wylie, let me clear something up.

When we say it allows us to determine our own destiny and our negotiation with the housing authority at that time was for them to keep our subsidy and we live off our rent collection. Well, that has not been done anywhere in this country before because even where there is property management companies in this—resident management companies in this country—and they are presently—well, six when Congressman Gonzalez visited me. There's only five as of today because New Orleans has stopped theirs. They have

taken it back from the residents after the residents brought their rent collection from \$67,000 a month to \$147,000 a month and removed them. Now, they have taken it back.

That's what's happening because when we say that you keep your subsidy, I'm the only property in the country who said that. Boston has one; St. Louis has one; Louisville, KY has one; Jersey City has one; New Orleans did have one—there's one more, I can't think of it off the top of my head right now—but it was six of them. There's five.

The reason why we did that because in District of Columbia our utility rates were so high when we first took over. We asked the Housing Authority at that time, Mr. Robert Morley, executive director of the housing authority, out of our subsidy just pay our utility bill, OK? And in doing so we agreed to work with them to reduce our utility costs which we have. We found what was causing our utility rates to go up, we needed new windows to keep the air out, and new doors, and things of this nature. And what was running them up was that our residents were using our gas stoves to heat their homes at night. But no one ever looked at that. That's what runs utility costs up around the country. Because of the poor, deteriorating structures of public housing.

When I say cut back the subsidy as I discuss with the House Banking Committee that came to our development, a plan developed. And I don't know what you would call it but it should be a phaseout plan. Whereas—you said you're director of a housing authority. Because, see, the cutback subsidy totally only hurts my residents. Unless you have a resident management corporation that can manage the property totally. And I know every property in this country doesn't want resident management control.

But it should be a phaseout plan where if you get 100 percent this fiscal year and you have 600 vacant units, the housing authority should be told that we have these 200 or you will not get something for that 200 next time around. Next fiscal year you only get subject for 400. And you'll find that I think a lot of housing authorities won't have any objection to that.

We as residents said that we find there's no incentive built in for housing authorities to renovate vacant units whenever we see the same amount of subsidy for a vacant unit as they would for an occupied unit and it's not fair. And in resident management corporations we do not receive subsidies for vacant units period. That's nowhere in the country.

Mr. WYLIE. I'm completely fascinated by your testimony here this morning and what you've apparently done.

Also, in this report it says: "Kenilworth is generating enough rental revenue to pay all of its \$44,000 operating expenses and 90 percent of the approximately \$500,000 energy costs." I really think that's impressive.

Do you have tenants who don't pay any rent like they do in most public housing units?

Ms. GRAY. No, we do not. We may have a resident—say, for instance, you may come to my management this morning and let her know that Friday you were dismissed from your job. Automatically what she should do is place you on zero rent. We put you on zero rent but we also have a referral form where we refer you. See, be-

cause we have our own employment office, too, where we develop and create jobs. And if you're a man of skills—and if you do not have skills we make sure you're placed in a training program and we do not allow residents to stay on zero rent because we provide them other revenues. We provide them jobs. If there's a business on my property I go to Mr. Murdock in the screen door shop, say, will you temporarily hire Mr. Wylie until we can locate him another job? See, therefore, there are no zero incomes on our property.

See, the housing authority doesn't have staff. As I told Congressman Gonzalez, I was real upset with that because nobody ever looks at us that way and the budget is planned to go to HUD. The first things cut by the housing authority, and HUD allows it to take place, is the tenants services line item. And if tenants services line item is removed, then there are no programs created like the ones that we create with the money that we raise just from rent alone.

So, therefore, there's no one trying to develop—an economic development's the last thing anybody ever talks about on a public housing property, because they automatically have the myth in their minds that residents of public housing don't have dreams of owning their own businesses, and governing their own lives, and taking care of themselves, and being able to run a business successfully.

Mr. WYLIE. Well, Mr. Chairman, I'm very interested in this concept and I want to study it more but I would like unanimous consent to include in the record this morning "The Kenilworth-Parkside Resident Management Corp.: An Effective Example of Privatizing Public Services," a statement by Mr. Cicero Wilson before the Joint Economic Committee, September 28, 1984.

Chairman GONZALEZ. Without objection, so ordered.

[The study of Mr. Wilson referred to by Congressman Wylie follows:]

**THE KENILWORTH-PARKSIDE RESIDENT MANAGEMENT CORPORATION:
AN EFFECTIVE EXAMPLE OF PRIVATIZING PUBLIC SERVICES**

STATEMENT

OF

CICERO WILSON

**Resident Fellow and Director
Neighborhood Revitalization Project
American Enterprise Institute**

before the

Joint Economic Committee

September 28, 1984

The views presented in this statement are those of the author and do not necessarily represent those of the American Enterprise Institute.

Mr. Chairman, thank you for the opportunity to testify before this committee. The views I will be presenting are my own and do not necessarily represent those of the American Enterprise Institute.

The Kenilworth-Parkside Resident Management Corporation is an experiment in privatizing the management of public housing and developing self-sufficiency for low-income welfare-dependent families. The tremendous improvements in social and economic conditions at Kenilworth are a result of good management, effective social controls and real economic incentives. It is a replicable model which can be successfully implemented in other distressed communities and public housing complexes.

Kenilworth-Parkside is a 25-year-old low-rise public housing complex in northeast Washington, D.C. Until recently the community was overridden with drugs and crime. The units received no heat or hot water for almost 3 years between 1979 and 1981. Teenage pregnancies were frequent and 85 percent of the families relied on transfer payments for a major portion of their annual income. Approximately 30 percent of the families were totally dependent on welfare for their support.

In 1982 the residents, through the resident board and the newly created resident management corporation, began to manage the 464-unit complex. Specific housing management training provided by the District of Columbia and the residents' experiences fighting the former management firm and running social service programs (i.e., day care and college/post-secondary training programs) prepared the residents to assume management of the complex. Their success has been outstanding. In the past two years, Kenilworth has reduced teenage pregnancies by 50 percent, reduced welfare dependency by

50 percent, reduced crime by 75 percent, and increased rent receipts 130 percent from \$36,000 per month in 1981 to \$83,000 per month currently.

In addition to the tremendous increase in rental receipts, the KPRMC also reduced administrative and operating costs. Referring to Table 1 "Per Unit Monthly Cost Comparison," the KPRMC reduced administrative costs by 64 percent in their first year of operation and 60 percent in the second year in comparison to the costs of the previous management system baseline in 1981. Ordinary maintenance costs were reduced by 26 percent in the first year and 20 percent in the second year in comparison to the baseline. Kenilworth is generating enough rental revenue to pay all of its \$440,000 in operating expenses and 90 percent of the approximately \$500,000 in energy costs. If adequate investments are made in upgrading the heating plant and insulation in these 25-year-old units, then the KPRMC could reduce energy consumption by 20 percent and realize a substantial profit which could be used to create more jobs for residents.

The KPRMC was able to bring about this small miracle by: First, instilling a greater sense of social responsibility among the residents. Residents were educated about their responsibilities to respect their neighbors, to keep the units and grounds clean, to reduce damage due to vandalism, and to pay their rent on time. Part of the residents' social responsibility included helping themselves and their children improve their skills and earning capacities. It is not acceptable to collect welfare and watch soap operas all day. There is a strong self-improvement ethic at work in Kenilworth.

Second, the KPRMC and the resident council assist families increase their incomes through job training, job creation and a network of social

TABLE 1
PER UNIT MONTHLY COST COMPARISON

	Conventionally Managed (In Thousands)	Tenant Managed (In Thousands)	
	9/81	9/83	9/84
<u>Operating Receipts</u>			
Rental Income	\$ 60.14	\$ 101.00 (+67.9%)	\$ 130.52 (+117%)
<u>Operating Expenditures</u>			
Administration	17.48	6.34 (-63.7%)	6.94 (-60.3%)
Utilities (Labor)	6.19	7.77 (+26%)	8.40 (+35.7%)
Ordinary Maintenance	74.31	54.73 (-26.3%)	59.69 (-19.7%)
Non-routine Maintenance	0	2.26	---

services designed to facilitate participation in the labor force. The resident council operates training programs for 80 adults and youth at Kenilworth, and a post-secondary assistance program which has sent 480 youth to colleges and technical/vocational schools. The Resident Management Corporation has created 120 jobs through 6 new businesses and 2 joint ventures with private firms.

The heightened responsibility of the residents has increased their participation in all of these self-improvement services and enterprises. This, in turn, increases their earnings and provides adequate rental income and consumer spending power to manage the units and support the new businesses. Referring to Table 2 "Resident Income," overall resident income from all sources has increased by 26 percent from \$2,287,000 to \$2,548,000. More importantly, while overall income is rising, the increase is due to more income from work and less from welfare. Income from work increased by 27 percent from \$1,016,000 to \$1,287,000 over the 2½ years that the KPRMC has been operating. Income from welfare has dropped 28 percent during the same period from \$904,000 to \$650,000. One-quarter of the 353 families we studied have left welfare entirely, and families that are totally dependent have decreased by 50 percent. With more residents going to work and less dependent on welfare the incomes of the families will continue to rise. Please note that there are still impoverished families at Kenilworth. In Table 3 "Tenant Rents," one-third of the families pay \$100 or less for rent per month, and 6 percent pay under \$50. The revenue success at Kenilworth is due to both rising family incomes and everyone, without regard to level of income, faithfully paying their rents.

TABLE 2

RESIDENT INCOME (All Sources)
(Thousands)

	<u>Total</u>		<u>(Mean income)</u>
1981	2,287		(7,624)
1982	2,605		(8,272)
1983	2,727		(8,045)
1984	2,312		(8,660)
	<u>Sources</u> (Thousands)		
	<u>Work</u>		<u>Public Welfare</u>
		<u>(mean)</u>	<u>(mean)</u>
1981	1,016	(8,470)	904 (4,323)
1982	1,171	(8,675)	894 (4,341)
1983	1,429	(9,593)	828 (4,080)
1984	1,262	(10,265)	650 (4,041)

TABLE 3
TENANT RENTS

H1 = 512
 Lo = 6
 Monthly = 68,609.50

1 - 10 = 2 (1,1)	.0043 = .4%	
11 - 50 = 27 (3, 3, 1, 6, 14)	.0590 = 5.9%	
51 - 100 = 153 (25, 12, 9, 49, 58)	.3347 = 33.5%	
101 - 200 = 138 (9, 18, 29, 32, 50)	.3019 = 30.2%	
201 - 250 = 47 (3, 6, 10, 11, 17)	.1028 = 10.3%	30%
251 - 300 = 35 (1, 8, 6, 13, 7)	.0765 = 7.7%	19.7%
301 - 350 = 33 (0, 3, 9, 9, 12)	.0722 = 7.2%	12%
351 - 400 = 14 (2, 2, 2, 6, 2)	.0306 = 3.1%	
401 - 450 = 5 (0, 0, 2, 3, 0)	.0109 = 1.1%	
451 - 500 = 2 (0, 0, 1, 0, 1)	.0043 = .4%	
501 - + = 1 (0, 1, 0, 0, 0)	.0021 = .2%	
<u>457 units</u>	<u>100%</u>	

6.3% \$50 and under
 33.5% 51 - 100
 30.2% 101 - 200
 30% over 200
 19.7% over 250
 12% over 300
 4.8% over 350

Third, the Kenilworth model combines services and jobs with effective management procedures into an effective blend of sanctions and incentives. Neither sanctions nor incentives alone, in my opinion, are sufficient strategies for improving the conditions and management of public housing. Sanctions such as fines for destroying property, replacing appliances damaged by resident negligence with used rather than new appliances and the community peer court to resolve disputes and impose fines are powerful tools to shape attitudes and behaviors. Incentives such as jobs and the opportunity to start your own business with financial support from the KPRMC are equally powerful.

Fourth and finally, the KPRMC manages the units responsibly. They rigorously adhere to maintenance schedules, and the rent collection and income verification procedures are consistent and thorough. As Mrs. Kimi Gray, Chairman of the Resident Council, noted "Since the management staff live at Kenilworth--when the heat and hot water are off for the residents-- they are off for the managers too. And the first rents we check to see if they were paid on time are the rents from the management staff and board members." There are no incentives for the management staff to cut corners.

Based on the experience at Kenilworth, I recommend that:

1. Resident involvement be made a standard feature of any models for privatizing the management of public housing. Preferably, residents should be involved through an elected resident council and a separate resident management corporation. The corporation could manage the property--after

proper training--on its own or in equity partnership with a private property management firm.

2. Modernization funds should be used to upgrade properties before a private sector organization is given responsibility for management.
3. Congress should work closely with HUD on the homeownership initiative. HUD, through the Public Housing Homeownership Demonstration, is approaching this effort very appropriately. The HUD design will allow everyone to learn from the demonstration and refine the process. Congress should be hesitant to charge too far ahead of the demonstration.
4. Homeownership should be viewed as a major incentive for low-income families in public housing and distressed neighborhoods. Part of the economic success of Kenilworth was due to residents paying their rents on time to qualify for 20 town houses which KPRMC envisions building for the most responsible residents.
5. Caution should be exercised in the selection of private firms. Remember the deplorable conditions at Kenilworth were the responsibility of government agencies and a private contractor. In my opinion, without the involvement of residents in the ways that I have described, no arrangement, public or private, will accomplish the goal of improving the management of public housing.

Thank you.

Mr. WYLIE. And it sounds like we may have a model here that we can use in other public housing projects across the Nation if my first impression is correct.

I thank you very much, Mr. Chairman. And I think you've made a very significant contribution to our deliberation this morning, Ms. Gray.

Ms. GRAY. Thank you very much.

Chairman GONZALEZ. Mr. Kleczka.

Mr. KLECZKA. Thank you, Mr. Chairman.

I do have another subcommittee hearing that I must attend, dealing with agriculture and I do have to run, but I did want to stay for the entire testimony of our gracious hostess, Ms. Gray. I did have the pleasure to join the subcommittee on a field visit some time ago and was—as are other members of the subcommittee today—impressed with what you have been able to accomplish. I think you've shown us that public housing does not have to be an extension of a depressed neighborhood. They can be successful communities.

And I thank you for coming to the subcommittee hearing today to share with the committee the efforts of your hard work and the hard work of the balance of your neighbors who, I think, must also be recognized because it is a group effort although it's headed by one very inspired and dedicated person.

Kimi, thank you.

Ms. GRAY. Thank you very much.

Chairman GONZALEZ. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you, Mr. Chairman.

Ms. Gray, I, like the others, commend you for being here and for what you've done. You have given a good deal of information and some ideas to this committee and hopefully to Congress, a Congress that at least in past years has not had as many new ideas as perhaps you and I would like them to have.

I think your eloquent experience in your testimony tells us what we should have known all along. That is that the residents of public housing are just like everyone else; they have the same dreams and aspirations. The more public housing authorities can depend upon the good will, the good sense, and the economic motivation for upward mobility of those residents, the better off we'll all be in depending on that good will and good sense to upgrade living standards.

I want to ask you some specific questions about your experience. Hopefully some of your experience will make its way into the housing reauthorization of this year.

First of all, did you encounter a number of waivers that you had to acquire from HUD, that is, were there regulations that were placed in public law or in HUD regulations that you had to overcome, or was it all just easy? Did you just ask for it and—

Ms. GRAY. Oh, no, no, no. There are no special waivers to create a resident management corporation. It's like developing any other management corporation around the country if you decided you wanted to open up one. There's no special waiver HUD needed. It was a demonstration. Mayor Marion Barry was the only person—our Mayor—was the one that had to authorize the housing author-

ity to allow us to set up a demonstration. Then the only mandate was that we had to go through the training and Mack Henry & Co. provided us that training in management for a year.

Mr. BARTLETT. Did you have to obtain any special waiver, for example, to use some of your units for businesses, to rent it out to businesses? You're using your residential units for businesses?

Ms. GRAY. Oh, no, we're not using residential units for businesses. On public housing properties there's always laundromats, laundry rooms. They're usually vandalized and rapes occur and robberies occur. We took those abandoned laundry rooms and we hired a young corps of youth, and turned them into a construction crew, and they rehabed those, and put our small businesses in those abandoned laundry rooms.

Mr. BARTLETT. So there was nothing to overcome as far as the use of those laundry rooms for businesses then?

Ms. GRAY. No.

Mr. BARTLETT. You were able to do it yourself.

How about hiring the youth? Did you have to pay Davis-Bacon prevailing wages? Did you have to pay union scale in hiring them or did you just—

Ms. GRAY. No, we did not. No, we did not. Davis-Bacon wages only go with Federal moneys. The money we hired our workers with was our money so we could pay them the minimum wage and plus provide them with steel. That's probably what's so unique about our property. We've never had to go out and ask anybody for the moneys. Plus Federal moneys come with so many regulations that you can't function with it.

Mr. BARTLETT. That is quite correct, Ms. Gray.

You also said something interesting in that you said that you don't allow zero income. I assume you mean that you discourage zero income and—or maybe you mean you just don't allow it. I sure wish we could get some of our public housing authorities and maybe the law to help with that.

It seems to me that residents of public housing, nondisabled and nonelderly, don't want to have zero income. They want to work; they want to have economic opportunities. And you're saying that what you did was give those residents both a combination of motivation and opportunities to obtain income?

Ms. GRAY. Yes.

Mr. BARTLETT. Do you think that somehow we should transmit that to other public housing authorities across the country, perhaps adopt some sort of a minimum rent of \$25 a month or \$50 a month. After so many years in public housing you have to pay at least a small amount of rent? Is that the kind of concept that you're thinking of?

Ms. GRAY. No; everybody pays their fair share. We understand—and don't misunderstand me again. I marched against the Proxmire bill harder than, I believe, anybody in District of Columbia because I think the rent should still be 25 percent of the annual income. But our renters are paying 29 percent because we haven't reached our 30 percent level yet, but everybody pays their fair share of their income for their rent. They understand that.

What makes the difference is that people do not mind—people do mind paying their fair share of the rent if they're receiving the

service they're rightfully due. So therefore within our development you receive a service within 4 hours because our staff is trained that way.

Then you've got to understand also, Mr. Bartlett, that our engineer is a resident so when the heat goes off he's the first person to know it also because he becomes cold. When he wakes up and there's no hot water, you see, he knows it too. So he quickly turns it back on.

Whereas in traditional public housing properties the staff does not reside on the property. They live in, well, I'll say, District of Columbia. They live in Maryland. So by the time you call them to come back in, first of all, it's overtime. My engineer does not receive overtime because—he does it because he wants hot water also.

And you've got to understand the commitment that's there because you instill it and they take care of—we take care of each other. And I don't want to mislead you that Kenilworth is so unique that this program cannot be duplicated anyplace else.

Mildred Helley and Bromley Heath of Boston, MA. Mildred has—and I say her and Anna Cole—had the oldest tenant managed projects in this country. It's better than 10 years old. And they have never got any help from it. And that's why when we—in fact, Kenilworth Courts is the baby. We're the baby resident management corporation in the country. Everybody's much older than us. But we're the only ones in economic development and we're the only ones that have done certain things. And that's why we meet together ourselves to exchange ideas about what we can do to better our own communities.

Mildred has things like her own radio show. She has every phase of child care you could name. I've learned a lot from Mildred Helley.

I know that when I went to visit Viney Reynolds in New Orleans, I was totally impressed. She has like 1,200 units on her property and they collect rent every month; I mean religiously. Beforehand it was a shamble like all of our properties be when they turn them over to us. But we accept them because we know that we can bring them up to standards where people can live decently.

Mr. BARTLETT. One other question, Ms. Gray. Would you convert, then, the concept of resident management so that the residents manage into some form of resident ownership so the residents could own their property also, given that extra economic state?

Ms. GRAY. That's exactly what our ultimate goals are. And what we expressed to HUD—we met with them because the homeownership concept came from a conference that we pulled together of our resident management corporations around the country. We said there should be stages you should go through. There should first be the organizing of the public housing resident council that now in the country they're so loose. They should be organized into councils. From organizing the council they receive technical assistance to become resident management corporations. For the resident management corporation there should be some economic developments set on all the properties. From the economic development stage there should be homeownership. We say homeownership—we mean through co-op. It's very easy to do homeownership through

scattered sites, OK. But when you're talking about multi-family properties—see, a lot of people—I know that in 1937 when the U.S. Housing Act was created it wasn't meant for low-income residents anyway. It was about providing jobs and construction and things of this nature. But now that's the only housing we have for low-income residents to live in.

We're talking about doing a co-op. And as each family is ready financially they will purchase their unit through the co-op. But the resident management corporation will actually own it. And in the District of Columbia what we're talking about is that we still want to leave 50 to 75 of our units to follow in persons on a waiting list to show them, to provide them, upward mobility. Then if you decide you don't want to buy, then we could put you into our scattered sites that, therefore, you will learn more discipline about how to pay utility costing, this nature.

But, yes, our ultimate goal is homeownership of our development.

Mr. BARTLETT. Thank you, Ms. Gray. Thank you, Mr. Chairman. Chairman GONZALEZ. Mr. Manton.

Mr. MANTON. Mr. Chairman, I was pleased to go out to visit with Ms. Gray and listen to her tell us how she did it and it's good to hear it somewhat repeated today.

One thing that impressed me in the visit is your college program. You mentioned it today but not in great detail.

Would you tell the members that didn't have the opportunity to be there about that program and what it's done for some of your youth and some of the people that are now part of the management scheme there?

Ms. GRAY. We found that in 1974—I am a resident of Kenilworth-Parkside. We found that—when I say “we” I mean the resident council and some of our parents—we found that some of the— the majority of our parents were totally disillusioned about what could be done in saving the children and saving the families. We had tried almost everything. We then got together—we created a program called College, Here we Come. The name came from the children themselves; they named the program.

From August of 1975 when we sent our first group away—and this college program is a college preparatory program. We provide our students help, assistance in, preparing forms for aid applications, in applications for admissions. We take them on tours of the various campuses because as all of you know in the District of Columbia, all post secondary institutions are on the other side of the river and we are on the other side of the river. So there's nothing on that side for us to further educate our children unless they go up town, Northwest.

We also provide them with tutoring. We also—as we visit campuses not only in the District of Columbia but we take them around the country—provide them a lot of cultural exposure. As our students are accepted in schools around this country we don't just drop it there. We provide them scholarships so they can attend the schools. We also help them plan their schedules as they are in the public school system so that our kids will not be taking basic math, general math, applied math, all through high school but yet by the time they've reached the 12th grade, they're in an accom-

should make something that public housing kids very serious get into because there's no guidance. The guidance is usually given to kids that in fact live in public housing. So we decided to take on that issue.

Since August of 1974, we have sent 250 children every 2 weeks around the country. We come back from Atlanta from visiting some of our students. They are members of the Atlanta University Community School and they live in a ghetto.

We have done a special thing that we raise ourselves that we set up in fact a something different in one of our students in your family we get going you home immediately. When the children come—right now the volunteers that are working for our program are going to all the Goodwills and Salvation Armies and they're taking all the old clothes and they're bringing them back and we'll have our students. They will bring them in contact them and you new books in them and those are the students going every two weeks. We do that as a family, a joint effort.

The students—the first class is still better graduated in 1974. We were overwhelmed because I was like a freshman because really folks had beliefs that—well, Mr. Gray—first of all, public housing kids don't finish high school. How you talking about them finishing college? We were made believers if a lot of folks now. Not only are they finishing high school—and you can check with any principal in the city of Washington, D.C.—groups of children are graduating every year from high schools.

And we check on them. I travel to the schools and try half rides and we check and make sure you actually have been in class. You can't pass a course otherwise.

We have the students bring reports back to our meetings which are every Tuesday night at 7 o'clock and try if you are willing to attend. The students would really be fascinated then.

Students when they come to college should become—if they don't have—they have a dream it's our obligation to help them fulfill their dream. If they don't have a dream then we give them one to fulfill and we help them to reach that goal. But it works, it actually works.

Mr. MAWYER. Another question. On the issue of universities or co-ops. I know in New York a lot of the residents of public housing are very skeptical and leery, because they feel they might be pushed out.

How would you message that, so that in one would have to worry about that?

Mr. GRAY. OK. One of the greatest fears we had when we first started talking about converting of public housing in HUD was our replacement of the stock, because—like in DC, there are 11,000 people on our waiting list to get into public housing. Just in the District of Columbia alone. So we know that to take out 954 units off the market will mean that 954 people from the waiting list cannot be placed. What we did well we asked HUD that well, I understand now more than anything that when HUD says there is a moratorium on anything, that means that it is dead. And to put a moratorium on a section 8 means that it's dying. I mean it's gone. And if the voucher system is a system that this administration is going, then how can it best benefit us?

And we said to HUD, Mr. Pierce, and others, that the 464 units we're going to co-op provide this city with 464 vouchers to replace that 464 units that we're taking now as a regular market. However, we're still talking about leaving 50 to 75 to bring from the waiting list to provide more mobility. But the residents also need to be provided certain training, prior to really going into homeownership.

I know when the RFP states there has to be a joint agreement with the Mayor's office, the housing authority, and the residents. There has to be more in there. There has to be some training provided. I mean real training. For instance, what we do, we provide our residents with—I talk real fast. Slow me down.

We provide our residents with for—minor home repair. See, I know that even when you buy your home, there were certain things you didn't know how to fix yourself. OK. We train our residents. They know how to do minor electrical work, minor plastering, painting, minor plumbing, window glazing, lay tile, hang doors. We train them to do do this. Every family household has to attend this training. And after they get there, they like it. OK? And there's always some resistance to change. That's why when people start talking about revolution, they really tickle me, because it means changes, and a lot of folk aren't ready for change to really get into the meat and bones of it.

Mr. MANTON. I want to commend you for what you've been doing there. I think you realized early on that people can do whatever they want to do. You've tapped all that talent there and put it altogether. I see Mr. Simon here from New York, and I know he's been listening intently, interesting to see some kind of demonstration project in the city, based along this model.

Ms. GRAY. Mr. Simon has provided me with some information on some of the programs he has implemented in New York City, and I respect the scattered sites that he has implemented, that's very successful in New York City. That's why I want to make it clear to everybody. The resident management corporations aren't out to do better than the housing authority. We're out to work with the housing authority. That's the hardest part for them to understand. We're not saying that—I wouldn't want the job Mr. Simon has in New York, as I ride through—

[Laughter.]

Mr. MANTON. He's got a tough job.

Ms. GRAY [continuing]. And see all those high-rises and all those units up there. I wouldn't want it. But I do know that there's a property somewhere in New York City that's capable of managing itself, and they'll be willing to go to a demonstration. But I respect Mr. Simon as much as I know he respects me.

Mr. MANTON. Thank you, Ms. Gray.

Ms. GRAY. And let it be said that Kimi Gray has not done this alone. It took 464 residents, it took a group of us, it took a board of directors, it took residents themselves working together, in order to succeed in this.

Mr. MANTON. Thank you.

Chairman GONZALEZ. Thank you. Mr. Dreier.

Mr. DREIER. Thank you very much, Mr. Chairman. I would like to begin by apologizing for the fact that I didn't show up for school,

as the young people did, the day of that hearing. Many of us were out of town, and as you know, Margaret Thatcher was here that day, so I apologize. And I thank you, Chairman Gonzalez, for inviting Ms. Gray to return, so that many of us can hear of the tremendous success of Kenilworth. And I must say that I am extraordinarily impressed. As one who supports the concept of privatization and reducing regulatory constraint—which you said is a great burden—I was very pleased to hear of your tremendous success.

I'd like to ask a couple of specific questions. You know, many people have talked in this country about the success of Great Britain's privatization of public housing. And a lot of people have pointed to the disparity which exists, and I'm wondering if you feel that, as we look toward privatization across the country, if the problems that we may see here would be that great.

For example, in Great Britain, they argue that the income level of those who live in public housing is greater, No. 1, and No. 2, that the fact that they have detached, single-family dwellings, that they are able to be more successful. And I wondered if you had any response to those two items?

Ms. GRAY. OK. Mr. Stewart from the Heritage Foundation and I have discussed this. First of all, as I said earlier, there must be—the first thing we knew we had to do was create training and jobs for our residents, so that we could increase income. I am not the type of person—my board does not say that you can receive public welfare and buy a home, because you can't. The upkeep is too much, first of all. The insurance is too much, first of all, homeownership insurance. What we have said is that you do not have to make \$30,000 or \$40,000 in order to buy a home. OK.

We said there can be a certain scale of income. That's why we believe that training is so important. And England doesn't do that. It doesn't provide the training we provide our residents. See, once you know how to do—to maintain—I mean, it goes back in this country years ago, in the rural areas. There was no training, but residents, they had the skill to maintain their own units. They were very low income, but the skill to maintain their units, where as it is in the District of Columbia and other major cities such as this, you have to pay so much to have the work done on your properties. But incomes can be \$12,000, \$15,000 a year and purchase a public housing unit.

Mr. DREIER. Ms. Gray, you have tremendous success with a low-rise development. What do you think the success rate would be for a highrise public housing project.

Ms. GRAY. I gave you some examples. Bromley Heath, in Boston, MA, has all highrises. St. Louis, Corcoran, has all highrises. We have lowrises in the District of Columbia, because we have a limit on how high you can build them. But I believe this concept can be implemented anywhere.

Mr. DREIER. What is actually the lowest rent paid? You've given us the 29-percent figure. Mr. Wylie was asking for a dollar amount, and you said it's 29 percent of the income level. You said actually there is no zero level, so what would be the lowest amount, the dollar amount.

Ms. GRAY. The lowest that we have is maybe a public welfare recipient that has one child, and her rent may be something like \$47 a month.

Mr. DREIER. I see. Well, terrific. I am extraordinarily impressed and hope that one day I will be able to come out to Kenilworth. Maybe I'll come to one of those student programs that you were talking about.

Ms. GRAY. Please do. You're always welcome.

Mr. DREIER. I appreciate it very much. Thank you, Mr. Chairman.

Chairman GONZALEZ. Thank you. Mr. Levin.

Mr. LEVIN. I don't have any questions. I'm sorry I missed the earlier part of the testimony, and I'll have to catch up. I'm glad, though, I heard the latter part. Thank you.

Chairman GONZALEZ. Well, thank you very much, Ms. Gray, once again. And I think the questions I had in mind have been answered in the course of your representation.

So we will be in sustained contact with you. Thank you again very much for your hospitality when we made the visit and for your presence here today.

Ms. GRAY. Thank you very much for inviting me.

Chairman GONZALEZ. Thank you.

Our next is a panel consisting of Mr. Robert Maffin, who's the executive director of the National Association of Housing and Re-development Officials. And I'm going to ask Mr. John Simon, who's the general manager, New York City Housing Authority, who's also representing the Council of Large Public Housing Authorities, because, Mr. Maffin, if you don't mind, Mr. Simon does have a problem. He's got a plane that he's got to catch to get back to New York. And if there's no objection, we will recognize Mr. Simon and enable him to keep his scheduled flight, if there's no objection.

Mr. SIMON. Thank you, Mr. Chairman, and thank you, Mr. Maffin.

I've been asked to speak to the Associated Builders of New York today at 1 o'clock about the housing crisis in New York, lack of rental housing and what the impact of the administration proposal might be on the New York City Housing Authority and the housing market in New York City.

STATEMENT OF JOHN SIMON, GENERAL MANAGER, NEW YORK CITY HOUSING AUTHORITY, REPRESENTING THE COUNCIL OF LARGE PUBLIC HOUSING AUTHORITIES

Mr. SIMON. Mr. Chairman, on behalf of the Council of Large Public Housing Authorities, I would like to thank you for inviting me to speak to you about important issues affecting public housing. I know we have no better friend than you and many colleagues of your committee. We are counting on you in the months and years to come. As you know, I am the general manager of the New York City Housing Authority. We presently own and manage 176,000 public housing units in 275 projects. They're all fully occupied. There are no vacancies. We collect 97 percent of our rental income. Our minimum rent is \$80 a month. Our maximum rent is \$500 a

month. Our average rent is \$175 a month. I believe we are successfully operating under the most difficult circumstances.

Unfortunately, it has now become necessary to appeal to you and to speak to you about the urgent needs of the public housing program, as well as the dire consequences which will ensue if the administration's demolition goal for the public housing program remains intact.

In this, the 50th year of the New York City Housing Authority—which coincides with a half a century of service to persons and families in need of housing in all housing authorities throughout the United States—we face the situation of Mr. Stockman displaying his usual callous lack of concern for the elderly, the disabled, poor and low-income working families. Under the guise of saving money, his policy would destroy the only available supply of housing which provides shelter to more than 1.3 million families, families that no one else can or wants to house.

In New York City alone, the waiting list for public housing and section 8 existing units is approaching 200,000 applicants. In the last 6 months, 81,000 families have filed for housing. The paperwork alone is overwhelming us. On the basis of "first come, first served," it would take 20 years for an applicant who files today to get an apartment.

A recent CLPHA survey indicates that among its membership the waiting lists for family units equals about two-thirds of the units in operation; again, a very dramatic show of the need for housing. Just as bad and damaging to sound management of our developments in New York and in other cities, is the fact that so many of them are so severely overcrowded with families doubled-up with friends and relatives, families who have no other place to live. I estimate that in our own city, in our 176,000 public housing units, more than 220,000 families are actually in residence. We dare not take action to remove them, because it would just add to the enormous problem of homelessness which faces my city, just as it afflicts so many other cities in which the large housing authorities for whom I speak are located.

Mr. Chairman, please just imagine what this kind of overcrowding does to elevator service, maintenance and janitorial conditions, utility and hot water consumption, not to mention the deterioration of quality of life it causes and the dangerous social pressures which result.

And now comes the administration's plan to reduce operating subsidies—our lifeblood—and a plan to all but eliminate the successful CIAP Program, for which this committee and its leadership and staff deserve so much credit. The administration is proposing no section 8, no vouchers, a freeze on fair market rents, no new construction. That's what we are facing; that is the atom bomb Mr. Stockman wishes to drop on the poor. Unfortunately, when the day of reckoning comes—and it already has come for the homeless, just as it will come for those who still have roofs over their heads—Mr. Stockman will be in private industry, being paid in six and seven dollar digit numbers. Those of us who serve the program, however, those who are working with our residents, those who need the housing on our waiting list—we will not forget.

And then you have the cruelest hoax of them all—public housing financing would no longer be tax-exempt. We shall spend an additional \$14 billion in this year and the coming years for housing financing, but this money will not buy one new unit of housing. We'll spend approximately the same amount of cash as last year on contract authorization for CIAP and deferred maintenance, but the actual moneys available for this purpose for PHA's will have been reduced by 85 percent.

This is a perfect example of how this administration makes us believe that less is more. But even HUD and OMB's public relations machine will not be able to hoodwink the American public on this issue.

Until this administration, and going back to 1934 and every succeeding administration, Democrat and Republican, the construction of public housing units across the country was authorized in Congress as a recognition of the fact that decent housing and affordable rents for low-income persons was a national responsibility. Moneys were made available annually by the national legislature for this purpose. With the onset of inflation and a particularly dramatic increase in energy costs, rents were capped and Congress began providing operating subsidy in addition to payment for debt service. On this basis, cities and towns and localities in the 50 States agreed to the building of this badly needed housing and provided this share of support for tax exemption and other assistance.

In my city alone, the mayor provides tax levy funds of \$40 million annually for operating the authority's security program. It also pays for the management of some community facilities for the more than one quarter million young people living in our developments under the age of 18 who otherwise could, indeed, be a source of trouble.

The State of New York, by providing public power through the Niagara Falls Network, will save the Federal Government public housing program in New York city alone \$30 million a year annually in utility costs over what the private power companies would have charged. And now, suddenly, the administration has decided to severely damage, if not sink, this program, which was meant to be primarily the responsibility of the Federal, and not the local, government.

When Mr. Stockman says there's no housing shortage for the poor, I believe this to be the biggest lie of them all. If Congress wishes to reduce the deficit by not approving new units, that is a decision they can, of course, make but may the suffering of the homeless be the burden of those who advocate this approach. Through financial strangulation and extensive—and expensive overregulation by HUD, we are being told to abandon a housing stock with a replacement value of nearly \$80 billion. CLPHA holds that to remove any ability to do deferred maintenance, or to upgrade 30, 40, and 50 year old units, or to eliminate funding to enable us to improve our management capability and to starve the day-to-day operation of our housing authorities is not only socially dangerous, but poor business as well.

I also believe that it is unethical, immoral and perhaps illegal to withdraw after the fact—*ex post facto*—support for housing which was built with the full understanding over the past 50 years that it

was, indeed, a Federal responsibility to provide low-income housing for the needy. For less than \$8,000 a unit for half the public housing stock, admittedly a tentative estimate because of HUD procrastination in preparing the modernization needs study authorized by the Congress, almost half of the public housing units in this country can be made viable and serve those who so desperately need them.

For somewhat more money, the many vacant units which are still plaguing some PHA's can also be restored as viable housing at a much lesser cost than building new housing and I want to say to Mr. Pierce and Mr. Stockman and company right now that this country will be forced to build subsidized housing in the years to come, a lot more than they ever imagined, if we do not maintain what we have.

The Minister of Housing of The Netherlands, where squatter movements are proliferating, recently told the executive director of another housing authority, after visiting New York, Houston and other cities, that a shortage of affordable rental housing in the United States is now at the stage where his country was 3 years ago, before the riotous squatter movement began.

I know we must deal with the budget deficit but housing has already made its sacrifice over the last 4 years. New budget authority has been cut by 98.3 percent between 1981 and 1986, more than any other program and certainly more than any other program for the poor and now we have been asked to make what I consider the final sacrifice, destruction. That is unfair, insensitive and dangerous and will lead to the kind of social consequences and unrest other countries are now facing.

I would like to mention also that we're the only housing industry which raises rents while being forced to reduce the level of services. The more we collect, the less we have. We have increased rents by 25 percent in the last 4 years. The better we invest our cash, the more money HUD takes back. Nothing we do to maximize our income helps us to improve our ability to maintain our developments and improve services to our residents.

You must also keep in mind whom we house. We house the poor, the very low income working families. We house the elderly and the disabled and, hopefully, we will continue in New York, at least, to house an economic mix, so that we have viable housing. We indeed house minorities. We indeed house those who cannot find housing and still we ask them to pay 30 percent of their income for rent. This is just another form of taxation for the poor, while the affluent, both corporate and private, get their tax refunds.

We're willing to tighten our belts, but we're not going to commit suicide.

On behalf of the more than 200,000 families, nearly 700,000 people living in public housing in New York City, as well as the 1.3 million families, nearly 4 million families of low income and moderate income in public housing in the United States, I respectfully appeal to you to pass H.R. 1 and to help us to survive, for the sake of all of us.

Thank you.

Chairman GONZALEZ. Thank you very much, Mr. Simon.

I again express my gratitude for your constant help to us in enabling us to do what I think really is our plain duty to do, and I just can't tell you in words how grateful we are and how helpful your presence is.

[Mr. Simon's prepared statement, on behalf of the Council of Large Public Housing Authorities, and an attachment containing 1985 legislative proposals of the council, follow:]

CLPHA

Council of Large Public Housing Authorities

TESTIMONY OF JOHN SIMON, GENERAL MANAGER OF THE
NEW YORK CITY HOUSING AUTHORITY

BEFORE THE

SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT OF THE
HOUSE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

TUESDAY, MARCH 5, 1985
WASHINGTON, D.C.

Seven Marshall Street Boston Massachusetts 02108 (617) 748 0820
509 C Street NE Washington DC 20002 (202) 548 4900

Mr. Chairman, on behalf of CLPHA I would like to thank you for inviting me to speak to you today about important issues affecting public housing. I know we have no better friend than you and many colleagues of your Committee -- we're counting on you in the months and years to come. I am John Simon, General Manager of the New York City Housing Authority. As I stated, I am testifying on behalf of the Council of Large Housing Authorities of the United States whose members represent more than half the public housing stock in this country.

Unfortunately, it has now become necessary to appeal to you and speak to you about the urgent needs of the public housing program as well as the dire consequences which would ensue if the Administration's demolition program for the industry were to remain in tact. In this, the 50th year of the New York City Housing Authority, which coincides with half a century of service to persons and families in need of housing in all housing authorities throughout the United States, we face the situation of Mr. Stockman displaying his usual callous lack of concern for the elderly, disabled, poor and indeed the low-income working family under the guise of saving money. These policies will destroy the only available supply of housing which provides shelter to the more than 1.3 million families which houses those that no one else can or wants to house. In New York City alone, the waiting list for public housing and Section 8 Existing units is approaching 200,000 applicants. On a first-come first-serve

basis, it would take 20 years from the date of filing to the point of getting an apartment.

A recent CLPHA survey indicates that among its membership the waiting lists for family units equals about 2/3 of the units in operation; again, a very dramatic show for the need of housing. Just as bad and damaging to sound management of our developments in New York and in other cities, is the fact that so many of them are so severely overcrowded because of doubling up of families with friends and relatives -- families who have no other place to live. I estimate that in our own 76,000 public housing units in New York City, more than 220,000 families are presently residing. We dare not take action to remove them so as not to add to the enormous problem of homelessness which faces my city just as it does so many of the cities in which the large authorities for whom I'm speaking are located.

Mr. Chairman, please just imagine what this kind of overcrowding does to elevator service, maintenance and janitorial conditions, utility and hot water consumption, not to mention the deterioration of quality of life it causes and the dangerous social pressures which result. And now comes the Administration's plan to reduce operating subsidies -- our life blood; and a plan to all but eliminate the successful CIAP Program for which this Committee and its leadership and staff deserve so much credit. The Administration is proposing no

Section 8, no vouchers (a questionable program at best but least it's a half of loaf), a freeze on fair market rents, no new construction -- that's what we're facing. I believe that is Mr. Stockman's atom bomb he wishes to drop on the poor.

Unfortunately, when the day of reckoning comes (it has already come for the homeless -- just as it will come for those who still have roofs over their heads today) he will be in the private industry being paid in six and seven dollar digit numbers but those of us who serve the program dealing with those in need of housing will not forget. Then you have the cruelest hoax of all -- public housing financing would no longer be tax-exempt. We shall spend an additional \$14 billion this year for housing financing. Although no new units will be built, we will spend approximately the same amount of money as last year on contract authority for CIAP and deferred maintenance. The actual monies available for this purpose for PHAs would have been reduced by 85%. This is a perfect example of "more is less." But even HUD's and OMB's public relation machines would not be able to hoodwink the American public on this issue.

Since 1934, and for every succeeding Administration, Democrat and Republican, until very recently, the construction of public housing units across the country was authorized in Congress as recognition of the fact that decent housing and affordable rents for low-income persons was a national respon-

sibility. Monies were made available quarterly by the national legislature. With the onset of inflation and a particularly dramatic increase in energy costs while at the same time rents were capped and our residents became increasingly poor, Congress began providing operating subsidies in addition to payment for debt service. On this basis cities and towns and localities in the 50 states agreed to the building of this badly needed housing and provided its share of support for tax-exemption and other assistance. In my city alone, the Mayor's tax levy funds provide \$40 million annually for the authority's security program. It also pays for the operation of certain community facilities for the more than 1/4 million young people living in our developments under the age of 18, who otherwise could indeed be a source of trouble.

In the State of New York, by providing public power through the Niagara Falls Network we saved the federal government public housing program at least \$30 million a year annually in utility costs over what the private power companies were charged. And now suddenly the Administration has decided to severely damage if not sink this program which was meant to be primarily the responsibility of the federal and not the local government. If it is questionable whether Mr. Stockman believes there is no housing shortage for the poor then I believe this to be the biggest lie of them all. If the Congress wishes to reduce the deficit by not

approving new units that is a decision they can of course make denovo. May the homeless suffering be the burden of those who advocate this approach. But to abandon through financial strangulation and extensive over-regulation by HUD, a housing stock with a replacement value of nearly \$80 million, to remove any ability to do the deferred maintenance, to upgrade 30, 40 and 50 year old units, to eliminate funding to enable us to improve our management capability and to starve the day-to-day operation of our agency's operating subsidies is not only socially poor but poor business and certainly not as cost-effective.

I also believe that it is unethical and immoral and perhaps illegal to withdraw after the fact -- ex post facto -- support for housing which was built with the full understanding over the past 50 years that it was indeed a federal responsibility to provide low-income housing for needy people. For less than \$8,000 a unit, (admittedly still a somewhat questionable estimate while the modernization needs study is still underway; now eight months behind schedule because of HUD's procrastination) nearly half the stock of public housing can conceivably be made viable and serve those who need it so desperately and have no other place to go. For somewhat more money the many vacant units which are still plaguing some PHAs can also be restored as viable housing at a much lesser cost than building new housing a few years from now. Because of Mr. Pierce and Mr. Stockman and company, this country

will be... The Government...

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It is also...

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minorities. We house those no one else can or wishes to house. And yet we ask them to pay 30% of their gross income for rent - another form of taxation for the poor while the affluent both corporate and private get their tax refund. We're willing to tighten our belts but we're not going to commit self-destruction. On behalf of the more than 200,000 families, nearly 700,000 people living in public housing in New York City, as well as the 1.3 million families, nearly 4 million persons of very low- and moderate-income in public housing in the United States, I respectfully appeal to you to pass H.R.1 and to help us survive for the sake of all of us.

CLPHA

Council of Large Public Housing Authorities

ATTACHMENT TO TESTIMONY BY JOHN SIMON, GENERAL MANAGER OF THE
NEW YORK CITY HOUSING AUTHORITY (NYCHA) AND GEORGE JAMES, EXECUTIVE
DIRECTOR OF THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY (CMHA)

BEFORE THE SUB-COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT OF THE
HOUSE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS.

TUESDAY MARCH 5, 1985

WASHINGTON D.C.

This attachment contains CLPHA's legislative proposals for 1985.

Seven Marshall Street Boston Massachusetts 02108 (617) 742 0680
509 C Street NE Washington DC 20002 (202) 548 4800

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- II. Operating subsidies and Performance Funding system(PFS)
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- B. Summary: survey of modernization needs in public housing, a preliminary view, CLPHA, February 1984. And "Alternative Methods of Estimating Annual Modernization Needs."
- C. Why public housing no longer belongs at HUD.
- D. Proposed requirements for HUD reports on PHA modernization needs study.
- E. Draft comments by the Boston and New York City Housing Authorities concerning the proposed public housing homeownership demonstration program.

I. Total Budget Authority and Numbers of Units Authorized

1. **Operating Subsidy.** Total appropriation of \$1.4 billion, including \$100 million for costs beyond control and appeals. Approximately \$137 million ought to be available from FY85 in carryovers, resulting in a need for new appropriations of approximately \$1.26 billion. (See Appendix A for CLPHA calculation of estimated FY86 operating subsidy need.)
2. **Modernization:** at least \$2 billion in budget authority.

CLPHA's estimate of annual modernization needs have been based upon several alternative methods, including those shown below.

- a) There are presently approximately 1.3 million of public housing units in management, with an estimated average replacement value of \$60,000 per unit, for a total of \$78 billion value. Setting aside 1.5% of this value annually as a capital improvements reserve (assuming no backlog of modernization needs that need to be met through "catch-up" funding), would result in a need of \$1.17 billion per year. Under CIAP, this would be doubled to cover debt service, for a total need of \$2.34 billion per year -- in order to cover the on-going accrual of new needs irrespective of the back-log of old needs.
- b) A different way of looking at the same numbers would be to assume a 40-year depreciation. Dividing the current estimated replacement value of the public housing stock by 40 would give an annual replacement need of \$1.95 billion. Under CIAP this would require annual budget authority of \$3.9 billion.
- c) A preliminary survey of modernization needs in public housing carried out by CLPHA in November 1983 revealed a conservative estimate of approximately \$8,400 per unit in public housing, excluding major redevelopment of troubled projects. If this figure could be taken as typical of the entire public housing stock, the total need would be \$10,920,000,000. Doubling this for CIAP purposes gives \$21,840,000,000, and dividing this by, say, eight years' worth of authorizations gives an annual needed authorization level of \$2.73 billion, in 1983 dollars, excluding major redevelopment. [See Appendix B for detailed survey results and limitations.]

In addition, a national study of modernization needs in public housing has been sponsored by CLPHA and is currently underway, under a \$4 million contract from HUD to Abt Associates Inc. First results of this study are expected in late 1985.

- 3) Rental Assistance: no specific CLPHA dollar estimate of need at this time.
- 4) Development: CLPHA seeks a minimum of 15,000 units, and endorses the 16,500 units contained in H.R.1.

II. Operating Subsidies and Performance Funding System (PFS)

CLPHA calls for a HUD/PHA working committee, similar in composition to the Modernization Research Advisory Group, that would develop proposals for improving the Performance Funding System (PFS). The following specific proposals have been endorsed by CLPHA.

- 1) Occupancy Rate Used for Projecting Rental Income. For projecting occupancy, PHAs should be allowed to use the actual occupancy rate (at the end of the prior PHA fiscal year) or 97%, whichever is less, with exceptions as noted below concerning long-term vacancies. If the PHA achieves higher than 97% occupancy, the additional rental income should not be shared with HUD.
- 2) Exclusion for recapture. Exclude from rental income any retroactive rent collections where the tenant had misrepresented income (or other reason) This would give the PHAs an incentive for going after fraud.
- 3) No year-end recapture by HUD of actual rental income in excess of budgeted rental income. Explicitly put into the statute that it is the intent of the statute to provide a management incentive to the PHAs, and allow the PHA to keep actual rental income in excess of budgeted rental income in the year in which the "excess" (if any) occurs; and that there should be no recapture of any part of this difference at any time in the future by HUD, except where there has been proven fraud by the PHA or an obvious failure by the PHA to correctly apply specific HUD rules and regulations governing the computation of rental income, as commonly interpreted by the HUD field offices at the time of original budget approval.
- 4) Investment Income. Put something like HUD's current procedures regarding investment income into the statute, but don't use 100% of the current Treasury Bill rate; use about 85% instead, to reflect the need for exclusion of cash held for specified purposes -- for a variety of reasons -- which the PHA can't invest in higher-yield securities, because it has to be kept liquid. Also allow PHAs to invest their money through state depository instrumentalities which have been set up for the specific purpose of receiving funds from municipalities and municipal agencies for reinvestment purposes. Federal regulations now prohibit investments by PHAs in securities that aren't fully insured or collateralized. Make an exception in the case of such state instrumentalities.

5) Other income. Provide that no "other income", except grants received by the PHAs for the purpose of paying current utility bills, shall be included in the PFS calculations; and that there shall be no "ex post" reconciliation of budgeted vs. actual "other income". Delete any "other income" from PFS calculations for which there is a specific accompanying expense (outlay) by the PHA, for example payments from tenants in compensation for damage done to units; income from coin-operated laundry machines; excess utility charges; etc.

6) HUD Discretionary Adjustment. Section 110(e) currently provides HUD with the authority to make "ex post" discretionary adjustments "when new information becomes available." Put strict statutory limits on HUD's use of this clause, allowing HUD to make such discretionary adjustments only: (a) when there is evidence of fraud on the part of a PHA; or b) when the PHA requests an adjustment. Insert wording that when a budget has once been approved by HUD, the PHA has the right to assume that there will not be any further changes in its budget except for the reasons above.

7) Recaptures and Offsets. In order to recalculate, recapture or off-set any operating subsidy previously approved, approval by a peer-HUD Review Panel would be required. See models established for: Education Dept., Food Stamps, and CDBG. [Details of the proposed Review Committee are discussed in Section VII.]

8) Costs Beyond Control. There should be provision for funding costs beyond control, and HUD should request funds from Congress for this purpose. Statute currently provides that any "surplus" funds appropriated but unused by HUD for PFS during the fiscal year should be used to fund "costs beyond control". However, the Appropriations Committees have recently carried surpluses forward into the next fiscal year, over-riding the statute. CLPHA seeks recognition of the current provisions of the statute.

PHAs experience "costs beyond control" in many areas. Some examples are where binding arbitration determines the local wage rates a PHA must pay, sometimes as part of an agreement with a municipal employees' union; or when a PHA is required to make contributions to employees' retirement plans as a result of negotiations beyond the control of the PHA, for example in the case of a municipal employees' union; or when insurance rates go up beyond predicted levels and there are no feasible alternatives. In these cases and others, PHAs experience "cost beyond control," and need a special budget adjustment from HUD to reflect these special circumstances.

The PFS has always allowed such adjustments for "costs beyond control" in theory, but in practice funds have rarely been provided. As a result, the shortfall has to be "swallowed" by other budget line items, which in turn are not allowed the inflationary increases intended by PFS.

9) Appeals. A PHA should be able to appeal its Allowable Expense Level (AEL) for a variety of reasons including inequitable establishment of its original (base year) AEL; demonstrated inaccuracy of inflation estimates required by HUD; or specific operating circumstances of the PHA not reflected in the formula. [Details of Appeals Process are covered under Review Committee in Section VII.]

10) Vacant Units. There should be a clear distinction made between short term vacancies i.e. units which are vacant for only a short period due to normal turn-around, and those which are vacant for two months or more due to vandalism and/or a need for modernization funds to restore the units to habitability. The former units should be addressed under the provisions of B.1 above.

For long-term vacancies, there should be continued operating subsidies, conditioned on development of a mandatory plan that would include:

- specifics for returning vacant units to occupancy;
- HUD has to enter into a work-out plan with the PHA;
- the plan would spell out the details of a working partnership between HUD and the PHA, and include HUD's responsibilities as well as those of the PHA;
- all vacant units included in the plan would have to be re-occupied within five years;
- until that time, the PHA would be held harmless in terms of operating subsidy.

PHAs would be allowed as part of such plans to increase the proportion of units occupied by single persons.

If the PHA failed to take the actions contained in the work-out plan, then HUD would have to take appropriate corrective action. The work-out plan should include the proposed HUD allocation of operating subsidy and CIAP or development funds. Work-out plans should also address the problems of so-called "unmarketable" units, e.g. efficiency apartments for elders.

11) Delta Factor. PHAs, on an optional basis, should be allowed to use a 1/2 of 1% increase in their AEL annually in lieu of the "Delta" calculations, for simplicity.

12) HUD Administration of PFS. Direct HUD to strictly follow the requirements of the annual funding cycle; to release the "PFS Factors" to the PHAs on time (perhaps twice a year); to solicit budgets from the PHAs on time; to approve such budgets no later than 30 days prior to the beginning of the PHAs' fiscal years; and to release operating subsidy funds to the PHAs in equal monthly allotments, on time, rather than in variable amounts based on the PHAs' immediate cash flow.

Require HUD to make public all calculations of actual (past) operating subsidies paid under PFS; and estimated (future) subsidies, including the factors (such as inflation factors) upon which such calculations are based. Require HUD to solicit comments on major PFS factors such as the projected annual inflation factor.

13) Operating Reserves. Clearly state in statute the need for PHAs to maintain adequate operating reserves. State that the goal is for PHAs to have 100% of their maximum allowable operating reserves. Prohibit HUD from requiring a PHA to reduce the level of its operating reserves as a condition for receiving other funds such as operating subsidies or modernization funds. Prohibit HUD from requiring a PHA to draw down its operating reserves below 50% of maximum, except in extraordinary cases where there is demonstrated fraud on the part of the PHA. Allow PHAs to build up their reserves to at least 50% of maximum as an eligible PFS expense.

Clearly define operating reserves and make it clear that they are separate from replacement reserves.

III. Rent level, income eligibility, deductions and tenant characteristics.

1) Ceiling rents. PHAs should be allowed to adopt ceiling rents in order to maintain a suitable tenant income mix.

Many PHAs are observing that income-eligible tenants who are forced to pay 30% of their incomes for rent, and who are at the upper end of the income-eligibility scale, end up paying considerably more to live in public housing than they would if they moved to lower quality units in the private market. They therefore are increasingly moving out of public housing, with the results that: a) they obtain lower quality housing; and b) the social/economic characteristics of the public housing tenantry is changed in ways that PHAs feel create additional problems for the remaining tenants.

Ceiling rents should be based upon either: a) a "Fair Market Rent"; or b) the computed theoretical cost to the PHA of operations plus debt service.

All tenants in units with ceiling rents would still have to be income eligible for the public housing program. (Set a "continuing occupancy" income eligibility limit.)

IV. Modernization and CIAP

1) Modernization Priorities. Direct HUD to recognize existing program priorities, including that PHAs should be allowed to do comprehensive modernization whenever the PHA determines that this is the most cost-effective and feasible approach. Prohibit HUD from making decisions based solely on narrow, quantitative "cost-benefit" or "viability" criteria that do not take into account broader considerations such as restoring units to habitability or occupancy.

2) Modernization Handbook Standards. Direct HUD to maintain the mod handbook standards that were in effect in summer 1984. (HUD Handbook 7485.2 Revised, dated 6/14/82.) Allow HUD to grant waivers to these standards to PHAs upon their request. [This would prohibit many of the changes proposed for the 1985 mod. handbook standards, such as the distinction between "mandatory" and "project-level" standards.]

3) Purpose. Clearly express that the purpose of the CIAP program is not simply to restore units to original, often obsolete condition, but also, within reasonable limits, to upgrade -and rebuild if necessary- public housing units to current, modest standards of long-range liveability and to produce long-range habitability. Require that HUD regulations reflect these purposes.

4) CIAP Allocations Procedures and Reporting Requirements.

- a) specify that HUD must develop regulations through notice-and-comment rulemaking under the Administrative Procedures Act for the allocation and distribution of modernization funds, and that HUD may not allocate special set-asides from this money for any purposes except as provided in the regulations;
- b) define more clearly the "vacant unit" set-aside and what are the intended objectives of this program: long-term viability of the developments involved; spell out what kinds of plans and actions HUD must carry out, in cooperation with the PHAs.
- c) Reporting Requirements. Require HUD at regular intervals to issue reports on the allocation, distribution and actual receipt of modernization funds by the PHAs; by HUD region and field office; and by purpose for which these funds were allocated.

- d) Viability Review and Cost-Benefit Analysis. Require that such criteria be instituted only via regulation change after notice-and-comment rulemaking, in accord with the Administrative Procedures Act and HUD's regulations. Spell out in detail the types of non-quantifiable factors which HUD must take into account in carrying out viability analyses and cost-benefit analyses, and make it clear that HUD must give these factors weight along with the quantifiable factors.
- e) Limitation on special-purpose modernization. Oppose arbitrary proposed 10% limitation, while stressing that PHAs that want to do comp. mod. should not be forced to do special purpose mod. instead.
- 5) Advance Architectural and Engineering Work. Direct HUD to use the monies appropriated by Congress for this purpose, i.e. for "advance A/E planning in the year(s) prior to which an application for such improvements is actually approved", provided that the HUD field office has determined that such work has a reasonable chance of being funded in the next 2-3 years. These funds shall not be recaptured from the PHA if the work is subsequently not approved, if HUD originally agreed that this was a project that was needed in general terms and was potentially approvable if funding were available. Letting PHAs do substantial amounts of A/E work a year prior to funding approval would greatly expedite the PHA's ability to expend funds once the modernization funds were released by HUD. This, in turn, would reduce the amounts of modernization funds lost to inflation, and in most cases cut utility expenses and, thus, operating subsidies.
6. Major Reconstruction. Some developments need major reconstruction in order to reduce high vacancy levels and return the buildings to habitability. In some cases this means converting large-family (multi-bedroom) units in high-rise structures into smaller units for smaller households; in other buildings, "breakthroughs conversion of small units into larger units) may be appropriate. Total redesign of mechanical, heating, electrical, plumbing and other systems may be needed at the same time. In addition, entryway redesign may be required to improve the appearance of the development.

CLPHA supports conversion of commitments of development funds to reconstruction of existing projects with especially large modernization needs and special problems.

Some CLPHA members also recommend that in order that development money can be used to produce as many new (incremental) units as possible, HUD should establish a special category of modernization, major reconstruction, with higher cost limits, that could be used for major redesign and redevelopment of distressed, high-cost, high-need projects, subject to certain additional special requirements.

Little development money remains outstanding since HUD has adopted a rigid recapture policy.

7. Modernization Needs Study Reports. Direct HUD to provide a specific set of reports as outputs of the modernization needs study (at a minimum), with leeway to HUD to add other reports as it sees fit. The reports should include at least the requirements shown in Appendix D, and dates should be set when different reports are due from HUD.
- 8) Future of Modernization Research Advisory Group (RAG) and development of proposals for future directions for modernization programs, replacement reserves, etc.
 - a) The Modernization Research Advisory Group (RAG) consisting of Executive Directors of Large, Medium and Small PHAs should be continued and expanded to take on additional responsibilities. The RAG should work with HUD and the consultant to specify the content and format of reports from the modernization needs study, and to review such reports before they are publicly released.

The RAG should work with HUD and the consultant to determine the characteristics of, and modes of access to, the data base that will be the principal product of the study. The RAG will work with HUD, the consultant, Congress and the PHAs to develop procedures under which the data base may be used in the future to test out various proposed policy options concerning the future of the modernization program alternatives. Maintain as much PHA control over this process as possible, working closely with the Congress.

- b) Direct HUD to work with the RAG to establish procedures for coming up with recommendations for the future of the modernization program, including but not necessarily limited to the following alternatives:
- i) a multi-year block grant to permit PHAs to catch up with their back-log of unmet modernization needs, based upon some explicit criteria of need and adequate funding levels;
 - ii) a replacement allowance, accompanied by a major systems fund to be administered by HUD on the basis of applications;
 - iii) other options or combinations of options.

Crucial to any plan are predictability of annual funding levels and flexibility of use by the local PHA.

- c) RAG should explore a "spin-off" committee or sub-committee to act as a transition or cross-over committee to help PHAs with the transition from CIAP to possible new programs. In most cases, it will probably be appropriate for PHAs to make the change on a development-by-development basis.
- d) Appropriate staff support should be provided to the RAG.
- e) HUD staff that attend RAG meetings should include modernization program staff, not just PD&R staff.

V. Public housing demolition; and disposition**1) Homeownership**

- a) CLPHA supports the idea of low-income homeownership, and encourages HUD and the Congress to fund programs to achieve this goal. The primary vehicles, however, should be through such programs as Section 235 and Turnkey III, not through the sale of conventional public housing.
- b) Homeownership in public housing should be conditioned on replacement of units on a one-for-one basis, so that the public housing stock will not be reduced, if the PHA can demonstrate that there is a continuing need for such units in the community.
- c) Draft comments on HUD's proposed public housing homeownership program from the Boston and New York City Housing Authorities are included in Appendix E.
- d) Finally, CLPHA strongly recommends that the HUD/PD&R research budget not be further dissipated in demonstration efforts to discover ways of reducing the size of the available low-income housing stock, which is already inadequate to meet existing needs. Instead, PD&R should direct its efforts toward:
 - i) determining the magnitude of current and projected future housing needs of poor and very poor households in the nation;
 - ii) improvement of HUD data-bases so that HUD can begin to carry out its own management responsibilities more effectively; and,
 - iii) analysis of on-going problems in the public housing program and development of recommendations for improving programs to better serve those in need, and improving management effectiveness and efficiency.

VI. Rental Assistance: Section 8 and Vouchers

- 1) Strong support for continuing the Section 8 "existing" and "moderate rehab" programs, at adequate funding levels.
- 2) Need to maintain adequate PHA administrative fees, and to ensure that the same administrative fees are made available by HUD for the voucher program.
- 3) Opposed to splitting off Section 8 from Asst. Sec. for Public Housing. These programs should be kept together for administrative purposes within HUD.
- 4) Some PHAs interested in using Section 8 mod. rehab. money with development, e.g. for taking over 236 projects.
- 5) Minimum Term. Establish a minimum term for rental assistance contracts with PHAs.
- 6) Adequate Fair Market Rent (FMR) levels.
- 7) Limits on Voucher Demonstration. Put specific limits on the voucher demonstration, and prohibit HUD from converting any other Section 8 funds for use as vouchers. Limit both the dollars and number of units that can be converted to vouchers by HUD. Establish a cut-off date on how long any money can be used for vouchers, unless and until Congress approves a full-scale voucher program. Very strong constraints and prohibitions.
- 8) Evaluation of Voucher Demonstration.
 - a) Establish a Research Advisory Group that would work with HUD to develop the evaluation methodology and develop evaluation reports on the voucher demonstration. Strong PHA involvement in the RAG, including both PHAs that are and are not participating in the voucher demonstration.
 - b) Establish statutory criteria by which the voucher demonstration must be evaluated. Give directions as to what kinds of reports must be made on the voucher demonstration. Reports should include the comparative effectiveness of vouchers vs. Section 8 "existing". Should show what procedures were used to provide vouchers to recipients. [It is likely that there will be a "skimming" effect here, with PHAs looking for likely success stories so that they can move the

vouchers and get them used up quickly.] The Demonstration should show the comparative success rates in the use of vouchers for households of different sizes (large, medium & small); by age, race and sex of households head; By whether the voucher recipients move or don't move; by condition of the original unit of the voucher recipient; by certain financial characteristics such as household income (by family size), the rent level of the unit the household is in before receiving the voucher and after receiving the voucher, and the rent-income-ratio before and after receiving the voucher. We also need information on whether the rents paid by voucher recipients were higher than or lower than Section 8 Fair Market Rent levels. All of this is not to obstruct the adoption of a voucher program under some circumstances, but only to provide clear-cut information on the real limits under which vouchers seem to work successfully (assuming that there are such circumstances), with an eye to allowing PHAs to choose vouchers as one item on a broader program menu if they decide this is the program for them.

- c) Provide staff assistance to voucher Demo. RAG.

VII. Public housing management and HUD oversight.

1) HUD-Peer Group Review and Technical Assistance Committee

The principal CLPHA proposal in this area is for the establishment of Review Committee to work alongside the Department of Housing and Urban Development.

a) Functions of the committee.

- i) Establish procedures and requirements, including a hearings process, for the recapture of any operating subsidy, modernization, development or rental assistance funds by the Department; and administer such procedures and requirements.
 - ii) Establish procedures and requirements for the Appeal of any funding allocation decisions made by HUD under the operating subsidy and modernization programs, including the level at which the PHA's Allowable Expense Level (AEL) is set; and administer such procedures and requirements.
 - iii) Establish procedures and requirements whereby PHAs may request reimbursements for operating "cost beyond control"; and administer such procedures and requirements.
 - iv) Establish performance measures for public housing and collect information on the performance of PHAs according to these measures.
 - v) Establish a peer-group review and technical assistance process, which would be voluntarily requested by PHAs.
 - vi) Work with HUD to develop procedures whereby HUD could address the problems of PHAs that did not participate in peer-group TA programs; and/or whose performance did not improve.
- b) Membership of the committee.** Approximately 2/3 of the membership of the committee should be composed of PHAs.
- c) Funding:** Require HUD and the Committee to work together to develop requests for funding, as appropriate, wherever current or projected actions by the Committee would need additional appropriations by the Congress.

- d) PFS Factors: Specifically direct that the Committee review the inflation levels prescribed by HUD in the "PFS Factors"; and hear appeals from PHAs as to the appropriateness of these inflation factors.

2) Regulations.

Clarify what HUD must do via regulations change vs. handbook change? Require HUD to work with PHAs to develop any proposed new regulations or changes in regulations.

3) Two-tiered system.

Consider directing the HUD-Peer Group Review and Technical Assistance Committee to prepare a plan for moving toward a two-tiered system for public housing, either on the basis of PHA size or past performance, that would enable steps toward reduced HUD monitoring and oversight of the majority of PHAs.

VIII. Housing Development. Expansion of supply. Broader, more flexible roles for local PHAs.

- 1) Strong support for continued new public housing development, where this is determined to be needed by the local PHA. Increase development funding to 16,500 units. (In calendar year 1986, little or no public housing will be in the pipeline or under construction.)
- 2) More realistic cost limits on new development; reduced paperwork and HUD intervention in the development process; permit greater flexibility to PHAs in deciding who new development should be for; delete large-family targeting requirements; permit greater flexibility in design.
- 3) Make PHAs eligible to receive HODAG funds.
- 4) Prohibit recapture of development funds in cases where estimated costs have increased over original (budgeted) costs through no fault of the PHA, and the PHA needs additional time to revise development plans or obtain new bids.

IX. All Other

- 1) Tax-exempt bonds. Strongly support continuing tax-exempt status for public housing notes and bonds. Work vigorously with the Congress to prevent HUD from converting them to taxable status.
- 2) A New Agency for Public Housing. CLPHA is very strongly considering at this time a recommendation that a new agency be established to administer the public housing program and possibly all low and moderate income federal housing programs. This new agency would be independent of HUD. The need for such a new agency is described in Appendix C which was prepared at the CLPHA legislative meeting in December 1984 in Washington D.C. Information on those discussions of the new agency are contained in the minutes of that meeting and may be obtained from CLPHA members.

Further details of this proposal will be developed for discussion at the next CLPHA meeting.

- 3) Family High-Rise Task Force. Direct HUD to establish a family high-rise task force, consisting primarily of PHA Executive Directors, to develop recommendations for methods of dealing with large, troubled family-high-rise projects, including the need for both physical and management improvements; or, in selected cases, for demolition. Direct the Task Force to prepare recommendations and cost estimates by a fixed target date; and provide funding and staff resources to the Task Force to assist in its work.
- 4) Security/service coordination. Provide funding for PHAs to plan for and develop improved security systems; and improved social services coordination. Lay out guidelines PHAs would have to meet in order to be eligible for receipt of such funds, including reciprocal responsibilities that local municipalities would be expected to assume.
- 5) Inflation Short-Fall. Direct HUD to submit to the Congress an estimate of the short-fall in operating subsidies that resulted from underestimates of the AEL inflation factor during the period January 1, 1977 to September 30, 1982. In the report of the HUD Inspector General dated January 20, 1984, this figure was nationally estimated to be approximately \$257 million. For a sample of 71 PHAs included in the report comprising 44% of the units nationwide, the short-fall was shown to be \$113.1 million.

CLPHA**Council of Large Public Housing Authorities**

1/21/85

CLPHA REQUESTS FOR FY86 AUTHORIZATIONS FOR PUBLIC HOUSING**OPERATING SUBSIDIES**

<u>FY84:</u>	Appropriation	\$1,362,200,000
	Re-appropriation of FY83 funds	\$196,231,000
	Obligations (near-final est.)	\$1,202,900,000
	Estimated "surplus" FY84	\$355,531,000
<u>FY85:</u>	Appropriation	\$1,123,500,000 *
	If surplus carried over from FY84	\$355,531,000
	Total Available FY85	\$1,479,031,000
	CLPHA Est. of FY85 need (1/85)	\$1,341,800,000
	Estimated "surplus" FY85	\$137,231,000
<u>FY86:</u>	CLPHA Est. of Need	\$1,397,309,000
	If surplus carried over from FY85	\$137,231,000
	Additional authorization needed	\$1,260,069,000

MODERNIZATION: CLPHA is requesting a \$2 billion authorization level for FY86, which would permit approximately \$1 billion in work to be done, after debt service. The estimated replacement value of the public housing stock, at 1.3 million units, is approximately \$78 billion. Setting aside only 2% of this replacement value each year for capital improvements (modernization) purposes would be \$1.56 billion, which, under the CIAP program, would require twice as much in authorizations: \$3.12 billion. At 1.5% of replacement value, there would be a capital need of \$1.17 billion, which, under CIAP, would require an authorization of \$2.34 billion.

DEVELOPMENT: CLPHA supports a level of 15,000 units of public housing development in FY86.

* Not including \$15 million appropriated for the purposes of advance planning (A/E) for the modernization program.

Seven Marshall Street Boston Massachusetts 02108 (617) 742 0880
509 C Street NE Washington DC 20002 (202) 543 4900

CLPHA

Council of Large Public Housing Authorities

<u>Preliminary Projection of Operating Subsidy Need, FY86</u>		1/10/85		
(\$ millions)		<u>FY84</u> ⁽¹⁾	<u>FY85</u>	<u>FY86</u>
<u>Allowable Expense Level (AEL)</u>		\$1719.7	\$1850.3 ⁽²⁾	\$1953.6 ⁽³⁾
<u>Utilities</u>	Base	\$1069.2	\$1087.4 ⁽⁴⁾	\$1142.4 ⁽⁵⁾
	Util. Adj.	(35.8)	0.0	0.0
	Sub-total	\$1033.4	\$1087.4	\$1142.4
	Impact of Rolling Base		(5.0)	
<u>IPA Audit and Other Expenses</u>		\$4.2	\$4.2	\$5.0
<u>Add-ons, Social Security and Unemployment</u>		\$2.4	\$4.0	\$5.0
<u>Income</u>		(\$1549.9)	(\$1686.6) ⁽⁶⁾	(\$1860.5) ⁽⁷⁾
<u>Sub-Total "PFS BASE"</u>		\$1209.8	\$1254.3	\$1245.5
Non-PFS Authorities		\$49.3	\$50.3 ⁽⁸⁾	\$51.8 ⁽⁹⁾
HUD Estimate of Recaptures During FY84		(\$37.2)		
CLPHA Estimate of Restored Recaptures During FY85			\$37.2	
Misc. Litigation (D.C. et al)(Est.)		\$2.4		
Misc. "Offsets" and Residuals (?)		(\$21.4)		
Appeals Process and Costs Beyond Control				\$100.0
TOTAL NEED		\$1202.9	\$1341.8	\$1397.3

Footnotes:

- (1) Est. actual as of 1/85
- (2) $(1719.7) \times (1.017) (UMA) \times (1.0527) (\text{cost infl.}) \times (1.005) (\text{Delta})$
- (3) $(1069.2) \times (1.017) (UMA) \times (1.0000) (\text{util. cost infl.})$
- (4) $(1549.9) \times (1.01608) (UMO) \times (1.02) (\text{public housing tenant income inflation}) \times (1.05) (\text{increased rent-income ratio})$
- (5) $(49.3) \times (1.02) (\text{subsidy inflation})$
- (6) $(1850.3) \times (1.02) (UMA) \times (1.03) (\text{cost infl.}) \times (1.005) (\text{Delta})$
- (7) $(1087.4) \times (1.02) (UMA) \times (1.03) (\text{util. cost infl.})$
- (8) $(1686.6) \times (1.02) (UMO) \times (1.03) (\text{tenant income inflation}) \times 1.05 (\text{increased rent-income ratio})$
- (9) $(50.3) \times (1.03) (\text{subsidy inflation})$

Seven Marshall Street Boston Massachusetts 02108 (617) 742 0820
 400 C Street NW Washington DC 20007 (202) 542 2800

CPA

SECRET

Survey of Public Housing Administration

REPORT OF THE SURVEY OF PUBLIC HOUSING ADMINISTRATION, A NATIONAL SURVEY, 1954, PHASE I

—Requests for technical and administrative data for the PHA in preparing to carry out a survey of public housing administration needs in public and private housing. The first results of this study are likely to become available in June 1955.

In December 1954, PHAs took a conference in Baltimore, Maryland, to discuss the issues of the public housing administration program. In preparation for this conference, a survey of public housing administration needs was sent out to PHAs nationwide. After the conference, the survey was also sent out to a few non-PHA entities. Specific results were eventually reported from 24 PHAs, representing 278,577 units and 50 public housing developments. These respondents supply 61 of the developments in the survey, and cover 82% of the units, reflecting the size of the survey toward large PHAs and large developments.

Although the survey is limited toward the administration of public housing and extra-large PHAs, and has several other limitations as noted below, the data included in the survey results appear to have identified considerable time and cost in making their estimates. The results of the survey are shown below.

Major Limitations of the Survey:

1. Some limited needs of large and extra-large PHAs;
2. PHAs were asked to base their needs estimates upon their own present estimates of administration costs needed, and were not specifically asked to make reference to PHA administrative standards;
3. In spite of this, most PHAs, contacted after the survey had been completed, said they limited their needs estimates to cost that fall within PHA cost standards in effect at that time (thereby leading to less the study toward a more conservative estimate); and,
4. The methodology asked the PHAs to estimate the average (mean) need for developments in four categories of current condition. The high dollar/unit needs of the very worst developments were therefore underrepresented by this methodology, again leading toward a more conservative estimate.

A final qualification is that the needs estimates were made in 1953 dollars, and any comparison with current estimates would have to reflect inflation since 1953.

— — —

Survey Headquarters: Boston Massachusetts Office Survey 2000
200 C Street, N.E. Washington DC 20002 (202) 544 4200

RESULTS1) Distribution of modernization needs per unit. (current)

<u>RANGE (\$ per unit)</u>	<u>X</u>
Less than \$2,500	19.2
\$2,500 - \$4,999	9.6
\$5,000 - \$7,499	5.6
\$7,500 - \$9,999	45.4
\$10,000 - \$12,499	20.7
\$12,500 - \$14,999	1.2
\$15,000 - \$17,499	7.8
\$17,500 - \$19,999	4.9
\$20,000 - \$22,499	2.5
\$22,500 - \$24,999	2.2
\$25,000 - \$27,499	0.0
\$27,500 - \$29,999	0.7
\$30,000 or more	0.2

MEDIAN = \$8,361 per unit *

[* technically, this is a median of the means, as need/unit was not determined by individual unit; instead, PHAs were asked to provide a mean figure for their units in each of four categories of physical condition.]

2) Distribution of modernization needs by category of physical condition.

<u>CATEGORY</u>	<u>X of Developments</u>	<u>X of Units</u>	<u>Average Need/Unit</u>
"A"	36.2	20.84	\$1,517
"B"	41.3	55.13	\$8,501
"C"	22.4	9.81	\$11,811
"D"	10.0	14.22	\$14,751

3) Preferred Type of Modernization Funding.

o Emergency	12.1%
o Special purpose	16.7%
o Comprehensive mod.	63.3%
o All other	7.9%

4) Estimated need to carry out a five-year modernization plan: \$10,134/unit.

CPHA

2025

Council of Large Public Housing Administrations

January 1, 1962

To: Department of HUD

RECOMMENDATIONS CONCERNING PUBLIC HOUSING - HOUSING PROGRAM

The conventional public housing program in the United States includes approximately 100 million units at approximately 200,000 units per family.

The operating costs of public housing are covered largely through a tenant rent and federal operating subsidies. The American Housing Act of 1949 (AHA) for public housing, however, does not set a limit on the amount of subsidy for major capital improvements and replacement needs of this housing stock. The AHA authorized a program of research, including required capital improvements, that is needed.

In response to this need Congress has authorized the public housing demonstration program and has provided an expanded program of public housing demonstration improvements authorized through the AHA. In fiscal year 1962 the authorized amount is \$100,000,000. It is estimated that the total cost of the program for the year ending in 1962 will be \$100,000,000. This amount will be used to provide for all costs of major capital improvements and replacement needs of public housing and demonstration projects. This total cost is the total of expenditures in carrying out the program.

That public housing in the United States is in a state of transition. Although the AHA is authorized that each demonstration project should be in a state of transition to being a self-sufficient unit, the AHA is not. The value of the AHA program, however, has been estimated at \$100,000,000 and the average replacement value is about \$60,000 per unit. It is clearly a substantial and serious deficit in such a program that is required to maintain this housing stock in a state of transition. It is therefore proposed a grant to help the AHA in the year in which the AHA is authorized and continue the capital life of the existing housing stock. The grants will be for the years 1962 and 1963 and in particular are for covering the major capital improvements and replacement needs of these units have been set through the AHA program. It is essential that these grants be made available.

The following details show several alternative ways of estimating annual demonstration needs in public housing.

Room Marshall Street Boston Massachusetts 02118 (617) 624 0000
300 C Street NE Washington DC 20002 (202) 646 4000

ALTERNATIVE METHODS OF ESTIMATING ANNUAL MODERNIZATION NEEDS

1) Percent of initial development cost: \$2.4 billion per year. One rough estimate of need that is sometimes used for purposes of preparing budget estimates for other government subsidized housing is to set aside approximately 1.5% of the initial development costs, annually, as a budgeted figure for a capital reserve. The initial development costs of public housing are not available, but using instead the current replacement value of \$78 billion would produce an annual contribution to capital reserves of \$1.17 billion per year. In order to allow this kind of annual outlay, under the present borrowing system, an annual CIAP authorization of about \$2.4 billion per year would be needed.

2) Estimates from the PHAs themselves: \$3.25 billion per year. A preliminary survey of the modernization needs in public housing carried out by CLPHA in November 1983 indicated that for the 26 large and extra-large PHAs that responded to the survey, there was a very conservative estimate of \$8,361 per unit in modernization needs at that time. This estimate was somewhat constrained by the PHAs' perceptions that they were to stay within HUD's modernization standards in making their estimates; and the estimate also does not include funds that would be required for major redesign and redevelopment of large, family developments with severe problems. Even estimating that average needs might have been \$10,000 per unit nationwide at that time, the total national need would therefore have been about \$13 billion. Under the CIAP program, this translates into an authorization of \$26 billion. For illustrative purposes, if this amount were authorized over an 8-year period, it would require an authorization of \$3.25 billion per year.

3) Traditional 40-year depreciation: \$3.8 billion per year. Pre-1981 tax code would allow "real life" annual depreciation at the rate of 2.5% per year. Applying this to the \$78 billion present value of the national public housing stock would suggest annual modernization needs of \$1.95 billion, or \$3.8 billion in CIAP budget authority each year.

4) Post-1981 Accelerated Cost Recovery System (ACRS) for Low Income Housing: \$10.3 billion per year. While not a "real life" depreciation system and, therefore, not suggested by CLPHA for public housing, it is worth noting that the Administration and Congress have endorsed the 15 year "cost recovery" of ACRS for private investors in low income housing. This system, allowing cost recovery at the rate of 6.66% per year, would indicate a replacement level of \$5.148, or \$10.196 billion in B/A annually if applied to the public housing inventory.

All of these systems assume, of course, that renovation of the housing is carried out on a regular basis as needed, unlike public housing, which has been capital-starved for years. Indeed, even in recent years of relatively consistent mod

funding, the average level of \$1.7 billion in B/A is significantly below that which any of the measurements would call for. In short, public housing at current mod (CIAP) funding levels would appear to be a gradually wasting asset. Any cut or, heaven forbid, elimination would simply accelerate the process. To "freeze" mod money at best means to continue it at FY 85's level of \$1.75 billion level.

The Administration's reported proposal to eliminate mod funding for FY '86 and FY '87 (except for dangerous emergencies) will not save anything. To the contrary, it simply adds to the ultimate cost of repair of this valuable national asset. The cost threat of "You can pay me now or you can pay me later" would be fulfilled.

Appendix C1) Why Public Housing No Longer Belongs at HUD.

- o Public housing is a stepchild at HUD. It is given a very low priority and visibility. This has been true over a considerable period of time. HUD's principal attention is given to more "glamorous" programs, such as UDAG, HODAG, etc., or anything new. Only a small proportion of HUD staff (in the national office) works on public housing.
- o The leadership HUD gives to public housing is erratic and inconsistent. There has been a very high rate of turnover in the public housing area: Wynn, Grigsby, Lloyd, Abrams and Lindquist just in this Administration alone, and before that there was also a fairly high rate of turnover. Lack of continuity in leadership leads to confused and ineffective policies, with a great deal of "churning", creating chaos in the HUD regional and field offices and among the PHAs themselves. The Secretaries of HUD tend to give little attention to public housing.
- o HUD takes an antagonistic approach to administering the program. Every problem must be solved by changing the regulations, and the regulations in turn are administered in antagonistic ways. The antagonism, moreover, is matched by ineffective HUD management oversight of the PHAs. Real oversight would be based on HUD and the PHAs working together to achieve the goals of the program: service delivery to the constituency. Even in the case of troubled corporations like Amtrak or the Post Office, the organizations still work to achieve the goal of service delivery. For public housing within HUD, the vision of that goal seems to have been lost, and the emphasis is almost entirely on bureaucratic regulation.
- o HUD's policy initiatives toward public housing have been Quixotic, ranging from wanting to get rid of public housing altogether; to replacing public housing operating subsidies with vouchers for tenants; to funding it with Fair Market Rents; to tearing it down; to modernizing it; to selling it off through a homeownership program. Each new policy initiative tends to further muddy the waters and divert attention from the main task: maintaining and expanding a quality stock of housing for low-income people.

- o Because of periodic RIFs and staff churning within HUD in response to a variety of reorganizations, the quality of the staff assigned to public housing within HUD, especially at the Regional and Field offices, varies greatly. Some staff have long experience in public housing and are highly qualified. Many are new and inexperienced, and lack the necessary qualifications.
- o HUD fails to exercise strong enough management oversight over troubled PHAs, because of its pre-occupation with changing the regulations and with revisions in the entire system. As a result, the worst PHAs are never forced to confront their problems and solve them, and these problems go on and on.
- o Low-income housing programs within HUD are becoming increasingly fragmented. The Section 8 "existing" and "rehab" programs are being split away from public housing, even though they are often administered by PHAs and are inter-related in many ways. They should be together. Other programs like "235" and "236" should also be together.
- o The constant flux and lack of clarity in HUD policies makes it very difficult for PHAs to manage the approximately 1.2 million public housing units, estimated to have a replacement value of over \$70 billion. Effective management of this stock requires stability and continuity in policy making and funding.
- o Excessive OMB domination of HUD leads to emphasis primarily on cost-cutting as a policy goal for public housing.
- o Because of HUD's antagonistic administration of programs and regulations, the PHAs are afraid to be flexible and cooperative, for fear of being taken advantage of. This locks them into postures that prevent their using the programs in the most effective ways.
- o HUD fails to develop programs that are responsible to tenant and community concerns. HUD's focus on providing only extra-large family units, or in prohibiting one-bedroom units for the elderly (insisting, instead, on studios), often makes public housing unattractive to those it is intended to serve. There needs to be a much stronger emphasis on changing the product to serve the intended user. PHAs should be allowed to fill long-term vacancies in elderly projects with non-elderly households, where appropriate.

2) Advantages that Might be Lost by Moving Public Housing out of HUD.

- o There are some dedicated, skilled and experienced federal employees in the public housing program area at HUD (but they could be transferred).
- o Avoid fragmentation of housing and community development programs, to the degree they are presently coordinated.
- o HUD has protected the idea of direct lending to PHAs for modernization and development (but has not always supported adequate funding levels).

Appendix D:Proposed Requirements, for HUD Reports on PHA Modernization Needs Study

- a) total modernization needs taken off the Abt team inspections, the PHA self-inspections, and the REDESIGN inspections (along with PHA's own estimates of REDESIGN needs), including estimates at the national level, the HUD regional level, and the HUD field office level.
- b) results must be reported, either in the original reports or in a subsequent series of detailed reports, at least according to the following standard: all modernization needed to meet local code standards and standards included in the HUD modernization handbook in effect as of summer 1984. (HUD Handbook 7485.2 Revised, dated 6/14/82.) (And without reference to artificial "Levels" based on HUD budget policies.)
- c) report should also be made according to the long-term viability and marketability factors identified by PHAs.
- d) reports should include a breakdown between "things needing immediate attention", (e.g. "things broken now" other items that need doing immediately as corrective action), and "backlog of accrued needs", which may not need doing as of this instant but are an enormous over-hang of work that should have been done previously but was not.
- e) reports should be done in dollars updated by inflation to the year in which the reports are released.
- f) reports should be policy-neutral and standards-neutral. Simply give the costs required to bring public housing up to different standards. There should not be policy commentary or recommendations included by HUD or AAI in the report. In particular there should be no attempt to disparage or play down the work items estimated as needed by the PHAs in the "self-inspection" part of the report.
- g) reports on accrual study.
- h) require PHA review (RAG) and OK of any publication or other release of the results by HUD, especially any press releases.

- 1) spell out in some detail that the information must be the property of the Department when the study is completed, and that Congress and the PHAs expect the information to be available in easily-accessible computer-readable form so that a variety of other "runs" can be requested and obtained for purposes of follow-on policy and program development. This kind of usability of the data is essential if policy options are going to be weighed and compared seriously in the future.

APPENDIX E: DRAFT Comments by the Boston and New York City Housing Authorities concerning the proposed public housing homeownership demonstration program.

Homeownership?

THE PUBLIC HOUSING DEMONSTRATION PROGRAM: CONCERNS OF THE BOSTON HOUSING AUTHORITY

Read 12/1/85 (1985)

INTRODUCTION

One of the main stated objectives of the Public Housing Demonstration Program is to help low income families "share in the American goal of owning their own home." If homeownership were the major housing concern of low income families, the demonstration program would be a laudible strategy.

Unfortunately the major housing problem confronting low income families is much more basic - an acute shortage of affordable rental housing.

With particular reference to public housing, a housing policy which seeks to address the problems of public housing tenants and the growing number who seek access to subsidized housing, must target its efforts at: 1) increasing the supply of subsidized housing; 2) increasing maintenance funding to ensure that more units are not lost through the inability of housing authorities to provide routine services; and 3) increasing the capital improvement funding to ensure that existing vacancies are brought on line.

A policy which seeks to encourage the sale of public housing does not address the major issues of the day - a) the inability of low income families to afford the ever-increasing rental costs; b) the rapidly shrinking supply of rental units for low income families through condominium conversion, gentrification and other similar trends.

THE ISSUES

In specific terms, the concerns of the Boston Housing Authority viz-a-viz the home ownership initiative centers around the following:

THE REDUCTION IN THE SUPPLY OF LOW INCOME RENTAL UNITS.

Despite the rent-up of 1250 units to new tenants the Boston Housing Authority's waiting list at the end of that year was still 1255 above that of 1982; i.e. in a one year period the demand for public rental housing grew by 2493 applications.

At present the waiting list stands at 3755, while the Authority's vacant units amount to 1584 units projected to be reduced to 972 by December 1985 and to 622 by December 1986. Thus, even if all of the vacant units were renovated overnight, fewer than 25% of the families on the waiting list would be served.

The sale of existing tenable units will therefore only exacerbate an already serious low income rental housing shortage in the city of Boston since the number of units that could be subject to turn-over would be reduced.

THE ABILITY OF INTERESTED TENANTS TO AFFORD HOME OWNERSHIP

A major condition attached to the demonstration program is that federal subsidisation of operating costs would be terminated. This means that any participant in the program would be faced with a monthly home owners bill of at least \$235.* This figure excludes any mortgage payment, major repair costs or electricity/gas charges.

Within the BHA's developments, the average monthly rental currently stands at \$125 per unit. With ownership, and the consequent subsidy loss, even if units were sold at the lowest nominal price, the average household would be burdened with a minimum additional payment of at least \$110 per month.

When one considers that the average household income of the BHA tenants is about \$530 per month it is clear that the demonstration program will be beyond the ability of the average tenant.

WHO WILL BENEFIT FROM HOME OWNERSHIP?

Even if one were to adopt the provisions in the proposed Kemp Bill of a selling price of 25% of Fair Market value and an interest rate no higher than 7% of the current market rate, a prospective homeowner might be faced with a monthly mortgage payment of \$142.** If the basic operating costs of \$235 (no provision for major repairs) were added the prospective homeowner will have a basic monthly housing bill of \$375. If one assumes that the cost of housing should not be more than 30% of the household income, this presumes a monthly income of \$875 (\$10500 per year), an income within the range of only a minority of BHA tenants.

HOMEOWNERSHIP AS A STABILISING STRATEGY

It is true that many if not most public housing developments are bedevilled by varying levels of social instability with its attendant costly implications for public housing maintenance.

However, ownership, especially on the limited scale at which it will be possible among the BHA's tenants, is not likely to make a significant contribution to the stabilization of public housing developments.

* Heating charges	\$ 100
Taxes	70
Repair/Replacement	40
Co-op service charges	25
	<u>\$ 235</u>

** Assumed SP = \$17500 (no deposit)
Interest rate = 9.1%

Any policy that successfully aims to reduce the level of social inequality, and the creation of a sense of responsibility among public service workers, must first start at a more fundamental level of values. At the personal level, these include employment, job satisfaction, motivation, participation of employees, etc. At the organizational level, these include delivery, quality, cost, etc. At the societal level, these include social justice, social equity, etc.

ORGANIZATIONAL DESIGN

Since most of the work of public service organizations is done by individuals, the problems associated with designing an organization must address the social effects of organizational design. The design of the organization should be such that it encourages the best performance of the individuals. This means that the design should be such that it encourages the best performance of the individuals in terms of quality, quantity, cost, etc.

In addition, the designers should also be aware of the quality of the work environment. This means that the design should be such that it encourages the best performance of the individuals in terms of quality, quantity, cost, etc.

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CONCLUSION

The policy of social justice means that the public service organizations should be designed in such a way that it encourages the best performance of the individuals. This means that the design should be such that it encourages the best performance of the individuals in terms of quality, quantity, cost, etc.

In order to achieve a better work environment, the designers should be aware of the quality of the work environment. This means that the design should be such that it encourages the best performance of the individuals in terms of quality, quantity, cost, etc.

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*Draft position paper prepared by
NYCHA. Rev'd by CLM/A
12/10/81*

HOMEOWNERSHIP IN PUBLIC HOUSING?

The private ownership of public housing is a concept that is being widely discussed in the Reagan Administration. The United States Department of Housing and Urban Development has put forward a plan called "A Public Housing Homeownership Demonstration Program" which is designed "in consort with local government, public housing authorities and tenant groups to test and document varied methods which can be used to assist and encourage lower income families living in public housing to become owners of their own homes by purchasing existing public housing units."

The New York City Housing Authority believes that the concept of home ownership is a worthy one under certain limited circumstances. On the whole, however, we are very concerned that widespread efforts to sell public housing project apartments to their tenants will remove desperately needed low-rent shelter from the market at the very moment when the housing shortage in this city is extremely serious. The homeless problem alone, graphically illustrates the housing crisis we currently face.

Tenant ownership of public housing has, in fact, worked in the Authority's "Project HOME" in which 128 single family homes have been sold to public housing tenants. The program helps tenants gain the status of homeowner and returns the property to the city tax roles.

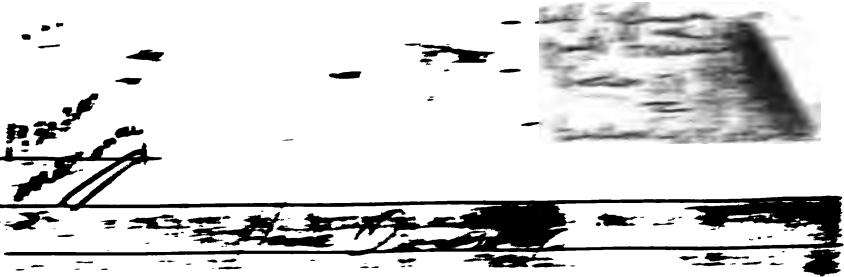
Extending this kind of program to multi-family, high-rise public housing projects is an entirely different matter. A whole series of complex problems immediately appear. First, of course, is the aforementioned removal of these units from the low-rent

market at a time of desperate housing need. Secondly, our public housing projects consist of many large families on and off public assistance and a large elderly population living on Social Security or SSI -- none of whom would have the financial ability to become homeowners. Third, under the HUD plan, homeowners would receive no operating subsidy ^{which means that} ~~meaning the~~ full cost of operation would fall on their shoulders with the real possibility of default or bankruptcy in the future. Fourth, since some families would opt for homeownership and others would not, the resulting chaos would be incalculable. There is the possibility of parallel managements in the same project, internal conflict between homeowners and renters ~~seems inevitable~~ and most seriously, unfair pressure and intimidation against the lowest income renters would occur. Fifth, a realistic analysis of the program shows that only the best public housing units in the most stable areas would be sold, in effect "creaming off" the best public housing stock in the city, (this is precisely what has happened in London, England under Prime Minister Thatcher's "right to buy" program in public housing.) Sixth, it is well known that the New York City public housing program has succeeded in large part because its economic "mix" in which families with a wide range of incomes live in the same developments. The homeownership program would further concentrate the poorest of the poor in the remaining public housing projects, making those projects more difficult and expensive to operate. Seventh, for a limited few well-to-do individuals, the homeownership program could represent an unconscionable windfall to people who might well be able to afford to purchase their own single family homes

under other federal programs such as Section 235.

In passing, it should be mentioned that legislation has been introduced into Congress by Representative Jack Kemp which sets up an even more disturbing homeownership program. The Kemp bill bypasses both the City and the local housing authority and imposes a program on the tenant community without even calling for a majority of the tenants approval.

In summary, the New York City Housing Authority strongly disapproves of the proposed homeownership programs in multi-family projects. The single fact of a waiting list which now numbers 175,000 families would seem to be sufficient evidence that removing public housing units from the rental market is a very bad idea. In addition, this housing authority and the City of New York have had considerable experience in the co-oping and operation of Mitchell-Lama developments. Over many years, these developments, as you know, have been beset with terrible financial problems. It seems unwise to entertain such a program in the public housing projects.



FOR SALE? NO! NO VACANCY

The Department of Health and Welfare has announced that it will not accept applications for positions in the Public Health Service until the positions have been approved by the Civil Service Commission.

The principle of merit in the public service is being maintained. It is the policy of the Government to fill positions on the basis of merit and to provide equal opportunity for all citizens.

The Civil Service Commission is the agency responsible for the selection and promotion of Federal Government employees. It is the policy of the Commission to fill positions on the basis of merit and to provide equal opportunity for all citizens.

The Department of Health and Welfare is currently conducting a program of recruitment and selection of personnel for the Public Health Service. The program is being conducted in accordance with the provisions of the Civil Service Reform Act of 1938.

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J. Amos Foss

Chairman GONZALEZ. Mr Wylie.

Mr. WYLIE. Thank you, Mr. Chairman. I congratulate you too on a very thoughtful statement and I appreciate your appearance here this morning. I have no questions at this time, Mr. Gonzalez.

Chairman GONZALEZ. Yes, Mr. Schumer. I had not realized that Representative Schumer had come in. He's very busy. He's been elevated to a membership of the Budget Committee, where we're counting on him to really help us, and I don't know if we're asking too much, but he's been one of the stalwarts here. And if I had known he was here, I would have had him introduce you, Mr. Simon, but he just came in, I understand.

Mr. SCHUMER. Thank you, Mr. Chairman, and I apologize to both the chairman of the committee and the good witnesses. I know Mr. Simon will know what I'm talking about when I tell him that a tractor-trailer overturned on the Kosciusko Bridge, and I missed my flight.

In any case, I'm glad your're here, John, and also Mr. Maffin, I'm glad you're here, as well. You both have been forceful advocates for the cause of public housing. As we all know, public housing is an investment that any private company would never let go down the drain, given that it was built before the days of 10 percent interest rates. It's just a great investment. And what the administration is trying to do is penny wise and pound foolish.

My first question relates to what the Chairman said. At 2 o'clock, the Secretary of HUD will appear before the Budget Committee. Do you have any questions you'd like me to ask him? I'll put them in my own name, if you wish. [Laughter.]

Mr. SIMON. Yes. I'd like to know what he plans to do about the housing shortage in New York in rental housing. And I heard one of the members ask the question about homeownership. We think that may be an idea worthwhile pursuing. But while there is no rental housing in New York or many other cities, to take rental housing off the market, where we have this 20-year waiting list, I don't think, will work. But I'd like to ask the Secretary why, in God's name, above all, is he proposing or are they proposing to reduce the modernization funding, which is not modernization, it's deferred maintenance. And as you know, the performance funding system subsidy formula has never provided for us to set aside a sum of money to do replacement and repairs, other than day-to-day repairs. And why he wants to destroy that—leaving aside the subject of new construction—I can't understand. And as you said, Mr. Schumer, that certainly is not cost-effective.

Mr. SCHUMER. Let me ask you another question. One of the things being considered on the Budget Committee is a freeze, an across-the-board freeze that would freeze all spending at every level. It's less of a panacea than it sounds, in a sense, because if you use straight numbers, it only reduces the budget by \$28 billion, when Mr. Volcker seems to say our goal ought to be \$50 billion. Nonetheless, what would be your view, if right now Mephistopheles came by—there are many Mephistopheles running around in this town—but the real one came by and said, "Mr. Simon, on behalf of CLPHA, I'll take your hand now, and you'll have a freeze and all the alternatives of cuts and all the alternatives of increases, you

would abandon in exchange for accepting a freeze," would you shake Mephistopheles' hand?

Mr. SIMON. I would say to you that with the exception of having, needing some protection, in case fuel and utility costs go sky-high and something happens in the Mideast or Venezuela or Mexico, I would say to you that we would probably tighten our belts and accept that, with one proviso. If you don't do something about finding housing for those people on the waiting list who have no apartments, and who live doubled up, you're asking for a social explosion. That freeze, I would not say, is wise over the years to come.

Mr. SCHUMER. And just a final question. I don't know if you were here when Congressman Molinari testified.

Mr. SIMON. Yes, I was.

Mr. SCHUMER. Do you support his proposal? I may have missed that?

Mr. SIMON. Not only do we support it, we feel that the difference, the fact that public housing is successful—and we do have our difficulties, is that we have an income mix, we have working families, we have the disabled. We have the typical American population in many of our developments, and that enables us to operate better, cheaper and more successfully and not make an adverse impact on the surrounding neighborhoods in which our projects are located.

Mr. SCHUMER. Right. I would just underscore that, Mr. Chairman. I am working with Congressman Molinari on his bill. The public housing projects in my district are extremely successful. And the reason for that is that they do have that mix. There are many of my colleagues from places like Utah and Wyoming, who I don't think have too much of a mix. I don't want to tell them what to do in agricultural policy, because I'm not an expert, but similarly, when they tell me what to do on housing policy, their lack of expertise becomes apparent. And this idea that every public housing project should only have the poorest of the poor sounds appealing. Someone's making \$11,000 rather than \$9,000, why shouldn't we put in the person of \$9,000? The long and short of it is that the housing for everybody concerned, housing works better when there's a mix, when there are role models for young children, when the housing project becomes a place that's desirable to live in rather than the last possible vestige other than homelessness.

And the cities that have had mixes have worked out much better than the cities that have consigned all public housing to the very poorest of the poor. Mind you, no one in our housing project can afford to live elsewhere. There is no alternative housing for them.

But this kind of mindless rule that anybody who's working and making \$11,000 or \$14,000 or \$17,000 income should not be in a public housing project. Sounds alluring, but it's a lot less simple than it would be if you knew housing. And I would leave that to my colleagues on the committee.

I thank the chairman. I thank Mr. Simon and Mr. Maffin. And I apologize for being late.

Chairman GONZALEZ. Mr. Schumer, if you'll convey my personal feelings that if they're able to freeze the rest of the country, including the citizens, then I'll be for a freeze. You can't freeze, anymore than you can bind a dynamic country such as ours. As fallacious

thinking, it's a mistake notion. It's a delusion. So I thought, if you'd convey that.

Mr. SCHUMER. Mr. Chairman, the point is well-taken, and I will convey it. It's just one of many options we're considering. I have another option which I'll be talking about in the next few days, which you might find more appealing than a freeze.

Chairman GONZALEZ. All right.

Mr. McKinney.

Mr. MCKINNEY. No questions, Mr. Chairman. My deepest apology, gentlemen, for having to be somewhere else. This is one of those three meetings an hour days, and I certainly will read your testimony. Mr. Simon, I must say I've watched your efforts from Bridgeport, CT. I think very highly of them. Earlier you may have heard me say, there's a lot of innovation we can bring into this system with a little flexibility on the part of the Government. We're going to have to learn to do a little more for less, I guess, but simply to formulize public housing further is just to further destroy it. It's a living thing. When I was coauthoring the New York City loan guarantee—you'll notice I don't use the word "bailout"—several of my colleagues from other parts of the country said, "Well, New York City's dead." And I said, "It seems to me there are 9½ million people walking around. It doesn't look very dead to me."

Public housing is a living place. Sometimes we tend to look at it and formulize and discuss it as if it were a warehouse. And in my America, you don't put people in warehouses. You put them in houses.

Thank you very much for your testimony.

Mr. SIMON. Thank you.

Chairman GONZALEZ. Further on the freeze, Mr. Schumer, since you're in the Budget Committee and this is the first chance I have, I don't understand why the people that want to freeze don't want a freeze—a nuclear freeze? [Laughter.]

Mr. SCHUMER. Given the trend of the last 3 years, if we could freeze the downward motion that's been happening in Washington, not in the country, I might settle for it, but I have my doubts about it. A freeze is the grossest, if you will, way to deal with the budget deficit. It's simply saying that all programs are worth the same amount, et cetera. The only problem you face, as we have faced in 1981 and 1982, particularly, and maybe in 1983 and 1984, is that if you don't have an across-the-board freeze, and you look at the political coalitions, you end up with all kinds of social programs losing even more. If we could have frozen housing at the 1981 level, we'd be in a lot better shape, as would the people of this country, than we are today, when it's been just about cut in half. That's my only point, Mr. Chairman. I'm not talking an ideal world; I'm just trying to talk about where my—

Chairman GONZALEZ. No, but I think somewhere, we all are going to have to assess what I call this perversity of priorities. The cost of 22 B-1 bombers is equivalent to the entire cost of our subsidized housing program. Now you know, there's some perversity of priority there, when we have that kind of priority. There's something wrong somewhere. And I think that a continuation of that perverse thinking is this notion that a freeze is a panacea.

I believe you had something to say, Mr. Simon.

Mr. SIMON. No, I just wanted to say I will convey some of the things you said, when I speak to the real estate board, because they are equally concerned about these matters.

I would appreciate it if I could be excused, Mr. Chairman.

Chairman GONZALEZ. All right. Do you have time for a quick question that Mr. Grotberg has been asking?

Mr. SIMON. Yes.

Mr. GROTBERG. Thank you, Mr. Chairman. This will only take a minute, but with the 37,000 units in the pipeline, if there were a 2-year moratorium, how would that come out? And what's your appraisal of that situation?

Mr. SIMON. Well, it takes us, for a variety of reasons, about 3 years to build a unit, from the time it gets in the pipeline until we see the results. We have another 3,000 units in the pipeline of construction. If you stop the pipeline, then there just won't be any continuity. Those other units won't be built 3 years hence, and the staff which we have and the contracts which we use will disappear. And it will be a long time to start up again. I don't think you can stop the pipeline in housing any more than you can stop in defense. It has to be a continuous flow. It is not just with new units. It's particularly pertinent to modernization and CIAP, as well.

Mr. GROTBERG. Thank you.

Chairman GONZALEZ. I hate to impose on you, but we have Mr. Manton from New York, and he may have something that he wants on the record.

Mr. MANTON. I know our witness has to catch a plane, and I'd just like to say this is the first opportunity since I've left the New York City Council, where I worked on the housing and buildings committee closely with Mr. Simon over the years, that we've been able to see each other here in Washington. And we thank you for coming down and your excellent testimony.

The 50-year history of the housing authority in New York is one that we're all proud of. I think I may have one of the oldest units, Queensbridge? Was that the first one?

Mr. SIMON. Yes. It was the second one.

Mr. MANTON. The second one. So we certainly would not want to see that investment, as you say, at low interest rates and at low construction costs, go down the tubes, because we would cut out our modernization program. So I think any prudent businessman would protect his investment, and I think that's all you're saying to the United States of America is, you've got a good investment out here, housing 200,000 or more people. Don't let your investment go down the drain.

Mr. SIMON. That's correct.

Mr. MANTON. Thank you.

Chairman GONZALEZ. Mr. Simon, we have Mr. Bartlett, who has a quick question. I know that it's an imposition, but I also want to be fair here.

Mr. BARTLETT. Thank you, Mr. Chairman. Mr. Simon, I wouldn't want you to leave here with the impression that everyone on this committee or everyone in Congress was in agreement with or impressed by the things you said in your testimony. I'm not familiar, as some of the other members were, by your track record in New York. As far as what's been said here today, I find that very little

is solved, oftentimes in public debate by the ad hominem sort of personalized attacks blaming all the ills of the world on one person or one group of people. The status quo of public housing in this country and, indeed, in your city, is in substantial need of improvement, indeed, of reform. I think there's enough blame to go around, and I hope—and I know that this Congress will view it as enough responsibility for all of us to go around.

I wonder if you could answer just a couple of things as far as your own views of public housing.

Do you support resident management, and have you instituted resident management in any of your units in New York?

Mr. SIMON. We have a public housing cooperative that's run by a board of directors which, at the moment, has elected the housing authority as the management agent, but is free to have any management agent they wish. If that's their wish, we would support it.

Mr. BARTLETT. How many units do you have that are resident managed?

Mr. SIMON. About 550—540.

Mr. BARTLETT. Out of a total?

Mr. SIMON. 175,000.

Mr. BARTLETT. Do you support resident ownership, and do you think we ought to adopt some way of allowing tenants or residents of public housing at a low income to buy their own units?

Mr. SIMON. No, I don't support it, because that would take rental units off the market, and it would, therefore, add to the waiting list we already have. I do want to tell you that we have 500 single-family houses in the public housing program, of which 142, thus far, have been sold to residents, because the single-family housing program lends itself to that. We have sold, and we will continue to sell the remaining units to families who can afford them.

Mr. BARTLETT. Do you support a freedom of choice kind of system under perhaps a voucher program or an expanded Section 8 Program, where residents can choose where they want to live, using a voucher system, as opposed to being required to live in government housing?

Mr. SIMON. No, I don't support that program, because the private sector has been more selective than we are. It takes only those tenants whom they think will be very desirable and leaves the public housing program with the most impacted families, for which we're not funded to serve socially or even, indeed, with security, despite the money the city gives us for security.

If the private sector was as fair as we were, I might support it.

Mr. BARTLETT. And do you support continuation of rent control?

Chairman GONZALEZ. Mr. Bartlett, in all fairness to Mr. Simon, he does have to catch that plane.

If you wish to submit in writing any additional questions, any member of the subcommittee knows that, and is entitled to it, and I ask unanimous consent that any member wishing to do so, may submit in writing, in ample time for Mr. Simon to reply in the record. I do want to let him go, because we have imposed on him.

Mr. SIMON. Thank you. I appreciate your courtesy.

Chairman GONZALEZ. Thank you, sir.

Mr. Maffin, thank you for your patience, and we recognize you

v.

STATEMENT OF ROBERT W. MAFFIN, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS [NAHRO], ON BEHALF OF WILLIAM J. RATZLAFF, EXECUTIVE DIRECTOR, DENVER HOUSING AUTHORITY, AND PRESIDENT, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS

Mr. MAFFIN. Mr. Chairman and other members of the committee.

Those of us who are involved in community development and public housing have learned to be very patient. It's a business that requires a good deal of patience.

I'd like to reflect for a moment. You have our written testimony, Mr. Chairman. There are some other pieces which we would like to enter into the record before the record is closed, and I'll make reference to those in passing.

Chairman GONZALEZ. If you will yield to me for 1 minute I'd like the record to show that we had scheduled Mr. William J. Ratzlaff, who is the executive director of the Denver Housing Authority and the president of the National Association of Housing and Redevelopment Officials, of which Mr. Maffin is executive director, but Mr. Ratzlaff was unable to leave Denver and we're grateful that you could fill in, Mr. Maffin.

Mr. MAFFIN. I wanted to deal with that question in a moment, because I really regret the fact that I'm here testifying for Mr. Ratzlaff or Mr. Adams, who is our senior vice president from Miami, Dade County—indeed, for any of our members, primarily because those people, the leadership and membership of NAHRO, the people who are carrying our the kinds of programs we've heard Ms. Gray and Mr. Molinari refer to, Mr. Simon, Mr. Harrington of Dallas, they and people in other parts of this country are really, I think, among the most creative people we have in our society today. We're trying to take public policy and turn it to public benefit for a wide variety of people.

I don't think it's any accident that this committee could go to Kenilworth or to any other place in this country and find a variety of public housing projects that are being handled in a wide variety of ways, from tenant management to tenant ownership.

It's such a diverse program, and it strikes me that that is its great strength. It is a reflection on the diversity of our country. Here is a fairly straightforward, simple program of the Federal Government providing capital and operating subsidy to local governments to provide housing in all these different ways, different densities, different configurations, different quality of design, different populations served, different forms of management systems, different attempts to create homeownership opportunities, new ways of working with the private sector and generating homeownership, all of these things, under the rubric of public housing. There is a public housing agency in at least 2,700 communities around the country, ranging in size, Mr. Manton, from New York City with 175,000 units down to projects in Nebraska of 25 to 35 units of housing solely for senior citizens.

It's the kind of program that in Miami, Dade County can take care of old citizens and new Americans. Few places in the world

have been impacted at the level of immigration that Miami, Dade County, has, and yet in the thick of that fray, trying to help those new citizens become adjusted to our society, stands the housing authority, creating new housing opportunities, providing opportunities for homeownership through State funded programs as well as federally funded programs.

I don't intend to spend a lot of time, Mr. Chairman, talking about where NAHRO stands as an institution on these programs of public housing, section 8, UDAG, Community Development Block Grants, 108 programs, 312 programs, the tools that this Congress and this country have fashioned over these past 50 years to help our cities and our citizens be housed in decent environments, hopefully on that will induce a better quality of life for more and more people.

We formed a task force last year dealing with the subject of the future of the public role in housing and urban development. The purpose of that task force was to focus some attention on the rhetoric of failure that we have been blessed with in this country over the last 10 or 15 years.

I find it amusing, almost—if it weren't so tragic—to see us disclaim the efforts of prior administrations in defending this country militarily and the solution proposed is to spend more money. On domestic programs where there may have been failings, it is alleged, the solution is to stop the programs. I wish that it were truly humorous rather than so tragic.

Let me deal with our industry, if I may for just a moment, because I heard here today a fairly good sampling of the kinds of yeasty things that are taking place in the public housing industry around the country.

Kimi Gray was here because, for one reason or another, those tenants and that housing authority and that local government and, yes, HUD perhaps, created an opportunity for that kind of tenant management and maybe even tenant ownership to take place. Other communities deal with it in different ways.

In Denver, CO, they entered into joint ventures with the private sector to provide lower income housing for families in Denver seeking to become homeowners.

In New York City, with the Nehemiah Program, we find an effort on the part of this committee to introduce Federal support to an effort like Nehemiah. But I think we shouldn't forget in the case of Nehemiah, the city of New York through its Urban Renewal Program, through its effort to take over property delinquent on taxes, has provided the land resources for a Nehemiah to work.

It's that kind of aggregate, willing partners in a variety of situations, that makes our programs work. Unfortunately, the principal partner—one of the principal partners—isn't very willing.

You have an administration today that is talking about a moratorium on all housing production. It's talking about cutting out the urban development action grant programs; about reducing the CDBG Program which, I might add, has over \$800 million a year going into housing rehabilitation and other housing activities. These programs are linked together. The administration proposes reducing operating systems for public housing and reducing modernization. If the administration prevails, we won't have anything like a mod-

ernization program, but only a crash program to deal with emergency repairs in case there's a disaster of some order.

This is not what one could characterize as a willing partner. The partnership ought to support a set of programs that really appeals to and is used by the very diverse kinds of situations we have in this country, to the benefit of the citizens and their communities. It is that kind of diversity which this industry is trying to get a handle on.

Let me take just a moment to deal with two or three things which our organization as a major part of the public housing industry, indeed of the community development industry as well, is doing. We have, for the last 18 months to 2 years had what we call a performance standards task force. I would like to have by the middle of this month, Mr. Chairman, entered into the record a fairly complete statement on what this industry intends to do about developing a performance management system for the public housing industry; a system that will have standards, a system that will have a technical assistance component for those agencies and local governments that need it and, indeed, can take the experience of 50 years in this country in public housing and begin to produce for us a management system that can assure this Congress, local officials and, yes, the administration that, in fact, there is a major component of the public sector dealing with public housing which is prepared to police itself, set standards for itself, and live by those standards and, indeed, perhaps improve them.

We are also about the business of setting up task forces on the homeless and on homeownership.

And let me take a moment, Mr. Chairman, if I may—I would hope that this committee, when the Secretary comes to the table sometime in the next few days, would urge the Secretary before HUD launches full scale in an effort to convert public housing to homeownership wholesale, to take a hard look at things like Nehemiah, things like the Section 235 Program, things like Turnkey III—programs where we have in the past tried to find ways to facilitate the ownership of housing by the poor and lower income people.

This country is not without experience in the past and there are a wide variety of experiments being conducted today, indeed, working programs like Nehemiah.

I would hope before we sell any of that very precious inventory—as Ms. Gray said—we would ask ourselves where the 424 units are going to come from if Kenilworth is sold off. Where is the replacement? In HUD's approach there is no replacement program.

Before we launch wholesale into that effort, with an inventory and with a population that has a very difficult times paying utility bills, let alone the cost of operating housing, let's take a look at what we've already done and are doing around this country.

We are doing other things, too, to try to improve the kind of information we have about these programs in this country. I must point out to this committee that you should look carefully at the administration's proposed budget for handling data and gathering information, because the fact of the matter is they're going to strip themselves of any capacity to provide this Congress or anybody else with decent, reliable, indepth information about what it is they are

delivering with the money that you are providing them. And that's true in housing and community development alike.

Mr. Chairman, we support H.R. 1. We support the improvements you're proposing to make regarding ceiling rents. We support Mr. Molinari's notion of a maximum rent with a couple of modifications to it.

We reject the administration's proposals as we understand them and as they appear in the budget. We reject them for one very simple reason. When in aggregate you talk about locking in only the very poorest in the public housing, when you talk about locking out others coming into public housing by the sale of the existing inventory, then you're talking about essentially reducing the mobility of our people. And it seems to me that's one of the great assets we have in this country, and that is the ability to move around. The policies of this Government and housing have nurtured that very, very well, I think.

Mr. Chairman, that's all I have to say. We support the basic principles of H.R. 1; and believe its funding levels are justified. I regret to say that, 6 weeks ago, we argued for numbers, dollar levels, much as H.R. 1 has proposed. The world has changed a little bit since then.

The proposals before you in our testimony are more modest, but they certainly do represent a continuity in this country's commitment to provide housing, to assist State and local governments, private citizens, and the private industry to build and supply that housing.

Thank you very much for this opportunity.

Chairman GONZALEZ. Thank you, Mr. Maffin, and I ask unanimous consent that we place in the record at this point the prepared statement of Mr. William J. Ratzlaff, who was scheduled to appear and for whom Mr. Maffin so kindly filled in.

It was a very well-documented and prepared statement. It was given to us in ample time to study before the hearing and I wish to express the appreciation of the subcommittee for that, Mr. Maffin.

Mr. MAFFIN. Thank you.

[Mr. Maffin submitted the prepared statement of Mr. Ratzlaff, president of the National Association of Housing and Redevelopment Officials, and, subsequent to the hearing, a letter dated March 29, 1985, with an attached "Report of the NAHRO Task Force on Performance Standards".]



STATEMENT OF
WILLIAM J. RATZLAFF, EXECUTIVE DIRECTOR
OF THE
DENVER HOUSING AUTHORITY
AND
PRESIDENT
OF THE
NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS
ON
H.R. 1 AND 1985 HOUSING AND COMMUNITY DEVELOPMENT ISSUES
SUBMITTED
TO THE
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 5, 1985

I. INTRODUCTION

As you know Mr. Chairman, NAHRO is a 50 year old association of professionals who administer low-income housing, rehabilitation, and community development programs in localities across the country. We represent over 5000 individuals and 2000 local agencies involved in carrying out these programs. We appreciate this opportunity to comment on the important housing and community development issues facing this nation and to outline NAHRO's positions on them. We believe that our half-century of institutional experience in housing and community development services and our detailed understanding of local programs gives us a special and valuable perspective. We are pleased to share this perspective with the subcommittee.

First of all, Mr. Chairman, let me commend this Subcommittee and especially you, Mr. Chairman, for your steadfast and courageous stand on behalf of housing and community development programs that benefit low and moderate income Americans. Unfortunately, the number of those who stand with you on this issue has diminished as our vision of a better day for our people and our cities has become more distant. What has happened? A popular President with a different vision of the federal role in housing and community development has won over many of your colleagues and many of our fellow Americans to his point of view. The NAHRO Task Force on the Future of the Public Role in Housing and Urban Development put it this way:

"The popular idols of private market forces and individualism have shattered the belief in government as a productive vehicle of the public good in America. The resulting anti-government attitude has taken a toll in sorely needed public leadership, especially in the fields of housing and urban development. Although the history of the public role in these areas has been erratic, government can take credit for many successes: housing standards, code enforcement, tax policies, production, redevelopment and rehabilitation subsidies, slum clearance, and redevelopment programs initiated and implemented by the public sector have been major factors in improving the quality of housing and the urban environment in this country."

The Task Force went on to affirm its belief in government's role stating:

"Government is our vehicle for dealing with problems, circumstances, and opportunities that are too large and by their nature too complex for private, individual solutions. Clearing city slums, providing mass transportation, reclaiming and preserving space for recreational and cultural activities, protecting the environment, subsidizing housing and health care for the poor, and constructing and maintaining infrastructure are a few examples of dozens of functions that are inherently governmental. The nation needs public involvement in housing and development to continue at the federal, state, and local levels to carry out these functions. The question is not how to reduce the public role, but how to maximize its potential for success."

II. THE ADMINISTRATION'S PROPOSALS FOR FISCAL YEAR 1986

During the past 50 years, Congress clearly articulated a national policy to create and sustain vital urban communities and increase the supply and affordability of housing for lower income, as well as moderate income, Americans. It has backed up this policy with resources.

Now the President proposes a budget that would kill any hope for hundreds of thousands of low and moderate income Americans for decent, affordable housing and foreclose any prospect of undertaking desperately needed revitalization in hundreds of American cities and towns. It would insure the continuing deterioration of neighborhoods that could be saved and turned into prospering community assets. That budget repudiates the 50-year-old federal commitment to the goal of decent housing and a suitable living environment for every American.

Our studies show that we need to build at least 350,000 units of affordable rental housing for low and moderate income households every year between now and the end of this century to meet a growing demand. The number of homeless persons is reaching epidemic proportions. In almost every community the housing needs of the old, the disabled, single parent families and the poor are going unmet. Now even intact working families are crowding into emergency housing and

homeless shelters. A budget that provides no new assisted housing in any form for the next two years is unacceptable. At a time when the waiting lists for assisted housing in virtually every American city are long and growing longer, that budget is indefensible.

In 1981, when massive cuts were proposed in housing and urban development programs, the President spoke of "safety nets" to take care of the "truly needy." The President's FY 1986 budget calls for eliminating all new assisted housing activity and there is no mention of "safety nets" or of the "truly needy."

No argument was made in the President's budget message that these programs aren't doing the jobs they were intended to do. The assisted housing programs, Urban Development Action Grants and Community Development Block Grants have demonstrated their ability to get the job done. This budget doesn't recommend a better way, or a more efficient or cost effective way, to meet the nation's most critical housing and community development needs. It simply turns its back and walks away from the federal responsibility for meeting those needs.

Low and moderate income families and the elderly in need of decent housing have done their share to help reduce the federal deficit over the last four years. A 98 percent reduction in new budget authority between FY 1981 and FY 1986 for assisted housing is a pretty hefty contribution by any measure. A \$24 billion dollar contribution to be exact. UDAG and CDBG each were cut by more than \$200 million in Fiscal Year 1982 and have remained frozen at that reduced level. That's a significant contribution. The fact is that the cuts proposed by the President have little or nothing to do with reducing federal deficits or

balancing the budget. The fact is that this Administration is ideologically opposed to these programs and is using the deficit issue as an excuse to terminate or cripple them.

Building on its massive presidential election victory in 1984 and using the burgeoning federal deficit as a lever, it appears that the Reagan Administration has selected 1985 as the year to attempt a "knock-out blow" to the 50-year old federal commitment to national housing and community development needs. The evidence for this assertion is the proposed budget for HUD for Fiscal Year 1986.

The proposed HUD budget for fiscal year 1986 would:

- eliminate Urban Development Action Grants;
- reduce by 10% funding for Community Development Block Grants and reduce the amount of funds allocated to large cities;
- eliminate funding for new programs authorized in the 1983 Housing and Urban-Rural Recovery Act, including housing development grants (HODAGs) and the Administration-sponsored rental rehabilitation grants program;
- halt any new activity in low-income housing assistance for two years;
- reduce operating assistance for existing public housing;
- change the system of long-term funding for public housing development and modernization;
- increase the premiums for FHA loans and guarantee fees for the mortgage-backed securities program of the Government National Mortgage Association; and
- further reduce HUD staff.

If the Administration's proposals for HUD in fiscal year 1986 were approved, there would be little of HUD or its programs left to salvage. There is a serious question as to whether either HUD or local communities could maintain much capacity to deliver the assistance programs if the proposed cuts are approved.

The Reagan Administration's intent to move the federal government out of low income housing and community development assistance has been clear from the beginning. While its broader strategy of transferring HUD functions to state and local governments has not succeeded, (except in the case of the state-administered CDBG program for small communities), it achieved major cutbacks and program redirections under the Omnibus Budget Reconciliation Act of 1981.

In the intervening years of 1982 through 1984, Congress has authorized continuation of HUD's programs at modest levels. The assisted housing programs have absorbed the largest cuts (a 57 percent loss in new budget authority from fiscal year 1981 to 1985). CDBG and UDAG also have lost major ground because the constant dollars authorized have not reflected inflation or the increasing number of participating communities.

Mr. Chairman, the question for FY1986 is whether the Congress can stave off the Administration's latest and most devastating assault on HUD programs made in the name of balancing the federal budget.

III. HR. 1 - THE HOUSING ACT OF 1985

Now let me comment specifically on your proposed legislation, H.R. 1. Your bill is the best evidence that federal involvement in housing and urban development is not yet a thing of the past. As you rightly pointed out, "a growing crisis demands action." We agree that enactment of your bill would reverse the "disastrous and unconscionable" housing policies of the past few

years. Your bill correctly assesses the immediate need for low income housing and faces up to the fact that providing such housing is costly. We believe that the program levels used in your bill are more than justified.

We believe that the changes you have suggested in the financing and administration of public housing are welcome and long overdue. This is especially the case with regard to income recapture, annual inflation adjustments, vacancies, the establishment of a formal review process for allowable expense levels, and the 10% earned income adjustment for working families. We have sought those changes and we applaud your support for them. NAHRO supports the concept of a "ceiling rent" which is also a feature of H.R. 1, although we would prefer that PHAs have the option of determining how to calculate the ceiling rent so long as it does not exceed the FMR for the area. Other features of your bill which NAHRO applauds include establishing voluntary professional performance standards, endorsing the need for a comprehensive public housing modernization program, and establishing a federal counterpart to the successful "Nehemiah" housing opportunity grants program.

Lastly, Mr. Chairman, we commend you for your recognition, in H.R. 1, of the growing crisis of homelessness; your action in calling for the end of the present limits on rentals to families between 50% and 80% of median income; and your insistence that Section 8 contracts provide assistance for the full 15 year term.

IV. HUD PROGRAMS

At this point I would like to comment on some of the programs of the Department of Housing and Urban Development and state NAHRO's position on them. Perhaps an effort to view those programs in the framework of their history, purposes, and achievements will be a proper balance to an Administration viewpoint that assumes failure and counsels retreat.

PUBLIC HOUSING OPERATIONS AND FINANCING

First, let me comment on the public housing program. In existence since 1937. The program provides homes for some 1.3 million households today and has housed millions of others over its 48 year history.

While some public housing has been beset with problems, there are scores of impressive housing authority success stories where well designed and well managed developments continue to prove they can be the cheapest, most reliable and most flexible means of decently housing low and moderate income persons.

The Performance Funding System (PFS) utilizes federal appropriations to fund the gap between the cost of PHA operations and income received (mostly from tenants). The PFS has been funded at 100% during FY'82, '83 and '84. While there were excess funds each year, HUD did not, except in FY'82, utilize the provision of the PFS which provides payments to PHAs for costs beyond their control. This provision was included to recognize that certain unanticipated and uncontrollable costs do occur and should be funded by the PFS under prescribed circumstances. We urge the Department to budget for and fund such costs in the future.

When fully funded, the PFS adequately covers the cost of operations for most PHAs. There is general support for the system among PHAs. There is also agreement that some changes should be made to improve the system and the overall operation of PHAs. However, these changes need to be designed to encourage good management and remove disincentives currently in the system.

Full funding of PFS requirements during the past three years has permitted PHAs to stop waging a daily battle against inadequate funding for operations. However, during 1984 and 1985, HUD has attempted to reduce funding for

operations by making administrative and regulatory changes in regard to vacancy rules, income recapture and other modifications to the performance funding system. NAHRO calls upon the Congress to resist these measures.

NAHRO calls upon the Congress to reject the reduced and inadequate level of funding for FY'86 proposed by the Administration. NAHRO believes that the PFS with an FY1986 appropriation of \$1.423 billion is the best approach to funding public housing operations. However, NAHRO believes there are some changes which can be made to make the PFS more effective and efficient. The changes, which represent a balanced and total approach to the PFS are as follows:

- o A formal expense adjustment process should be established which will provide for (a) adjustments to PFS base year expense levels, (b) annual adjustment for costs and factors beyond the control of the PHA and (c) reconciliation of differences between estimated inflation factors (HUD supplied) and actual inflation changes.
- o Occupancy rates should be utilized as an incentive to encourage good management by fully funding a 95% occupancy rate and sharing income generated as a result of higher occupancy rates. An equitable transition program should be developed for those with a major vacancy problems at the present time.
- o "Other income" should be eliminated from the calculation of operating subsidies to encourage PHAs to be better managers and permit them to benefit from such additional income.

- o PHAs should adopt a performance standards system which can be the basis for reduced oversight and regulation by HUD for those which achieve performance goals.

- o A minimum operating reserve (equal to 20% of the annual operating budget) should be established with the ability to PHAs to receive funding adjustments to maintain this level.

Additionally NAHRO recommends that the 10% elderly deduction be reinstated. Also, we believe that a minimum rent should be set for families on 100% AFDC which should be the portion designated by flat grant states for housing and the shelter allowance in "as paid" states.

Lastly, NAHRO opposes the Administration's attempt to freeze wages by adjusting the inflation factor of the allowable expense level under PFS. NAHRO questions the source of authority for the Department to impose such a freeze on localities.

PUBLIC HOUSING MODERNIZATION

Another area of concern for NAHRO is that of public housing modernization and, in particular, the Comprehensive Improvement Assistance Program (CIAP).

In the 1950s, the original capital reserve funds established for public housing under the 1937 Housing Act were eliminated. Beginning in the 1960s, some funds began to be earmarked for modernization, but not until 1978 was modernization funded by Congress as a separate budget item. Appropriations to carry out modernization, however, were at inadequate levels. As a result of inadequate funding of both modernization and operating assistance, thousands of

public housing units have fallen into disrepair as more and more routine maintenance has had to be deferred. Potential cost savings resulting from energy retro-fitting and up-dated management systems were also deferred.

In 1980, Congress approved restructuring the modernization programs to provide a comprehensive approach to improve the management and physical facilities of public housing projects and to bring this inventory to a satisfactory condition. The program requires that for each project for which modernization funds are requested there must be a complete assessment of physical and management needs and a five-year schedule for meeting those needs.

The funding level of the Comprehensive Improvement Assistance Program over the last three years has been: FY'83 \$1.9 billion, FY'84 \$1.55 billion and FY'85 \$1.725 billion. Evidencing its continuing support of the program, the Congress directed HUD to undertake an assessment of the public housing modernization needs across the country. This survey, being conducted by ABT Associates, Inc., is being closely monitored by the Congress and PHAs. It is anticipated that results will be available within a year.

Public housing agencies feel strongly that CIAP is an effective program both for bringing substantial numbers of public housing units back into use, and for increasing the useful life, efficiency, and cost effectiveness of currently occupied units. It has become an essential tool in efforts to conserve the \$75 billion national investment in the public housing inventory.

The demand for modernization funding has far outstripped the available resources since the program began. The inability of PHAs to receive requested funding has resulted in piecemeal funding for some projects at a level which does not permit full comprehensive modernization. Other projects not funded are now experiencing increasing numbers of vacant and uninhabitable units.

For FY'86 the Administration is proposing to fund only \$175 million in emergency modernization thereby imposing a moratorium on comprehensive modernization of the public housing inventory.

The NAHRO position on CIAP is that it should be funded at a level of \$1.794 billion for FY86. This level recognizes unmet needs and is not inconsistent with prior levels. NAHRO urges the Congress rejects a moratorium on comprehensive modernization which would have the effect of permitting the cycle of deterioration of the public housing inventory to accelerate. NAHRO also calls for development and funding of a replacement reserve system based on capital needs.

In another matter related to Public Housing Operations, NAHRO strongly supports the extension of the Congregate Services Housing Demonstration at a level of \$10 million. This is a successful and cost effective program for frail elderly persons.

NEW ASSISTED HOUSING CONSTRUCTION AND
SUBSTANTIAL REHABILITATION

The Administration's proposal to institute a two year moratorium on any new assisted housing activity completely ignores the documented need for new rental housing construction and substantial rehabilitation for lower income households. The 1981 National Housing Survey revealed that over 5 million renter households (19 percent of all renters) were living in physically-inadequate or overcrowded housing. While there has been an increase in new unsubsidized rental construction since the low point in 1982, this construction is largely occurring in new growth areas, at high rents, and in small-sized units. Much of it is constructed with the idea of eventual conversion to condominium ownership. At the same time, a substantial number of existing, standard quality rental units

continue to be lost through condominium conversions. This results in a net loss of rental housing stock in many areas, particularly among students and young adults. Furthermore, the balance of the existing rental stock is aging. In 1981, the average age of rental housing was 40 years of age or older, compared to 30 years of age or younger in the private sector.

Lower income households are bearing the brunt of these changes in the rental housing inventory. For example, in 1981, 40 percent of the rental stock was in the lowest income category, compared to 30 percent in 1970. The number of units in the lowest income category has increased by 10 percent since 1970, but the number of units in the middle income category has decreased by 10 percent. The net result is a shift of rental housing stock from middle income to lower income households.

Overall, the rental housing market is characterized by a shift from middle income to lower income households, a decline in the number of units in the middle income category, and a net loss of rental housing stock in many areas. This is due to a combination of factors, including the loss of rental housing stock through condominium conversions, the aging of the rental stock, and the shift of rental housing stock from middle income to lower income households.

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RENTAL HOUSING MARKET

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it is very concerned with the deep cuts proposed by the Administration in the Housing Guarantee Authority of the Agency for International Development (from \$160 million to \$45 million for FY 1986, to be eliminated in FY 1987). As a guarantee program, this has a very minimal cost to the government; yet it provides housing opportunities for low income families in developing countries not available from any other source. We urge that the funding level for FY1985 of \$160 million be maintained in FY1986, and that the program be continued in FY1987.

In addition, NAHRO strongly recommends that an allocation of \$1 million within the total of "Voluntary Contributions for International Organizations" in the Department of State budget be earmarked for the program of the International Year of Shelter for the Homeless (IYSH) being carried out by the United Nations Center for Human Settlements (Habitat).

Section 8 Existing Housing

As to existing housing, the Administration, as you know, is proposing a moratorium not just on incremental units under the Section 8 Existing programs, but it is shutting down its favored voucher program as well. This to be done notwithstanding the acknowledged success of the Section 8 Existing Program and the increasingly ominous housing shortage among low income persons including low income wage earners.

The Section 8 Existing program provides a rent subsidy for lower income families to help them afford decent housing in the private market. HUD makes up the difference between what a lower income household can afford and the fair market rent for an adequate housing unit. No eligible tenant need pay more than 30 percent of adjusted income toward rent. Housing thus subsidized by HUD must meet certain standards of safety and sanitation, and rents for these units must fall within the range of Fair Market Rents as determined by HUD.

Local housing authorities perform important functions, including informing eligible families of the availability of housing assistance, encouraging owners to make their units available for lease by eligible families, setting the maximum amount of housing assistance payments that can be used for family-paid utilities, receiving applications from families and determining their eligibility for assistance, selecting families for certificates of family participation, inspecting units prior to occupancy and periodically thereafter to assure that they are maintained in decent, safe and sanitary condition, approving leases, making housing assistance payments to owners, reexamining family income and composition, and redetermining the amount of rental contribution required from the family. For these services the PHA receives an Administrative Fee, which NAWRO feels should not be arbitrarily reduced by 10% as proposed by the Administration.

Additionally, NAWRO is opposed to the Administration's further attempts to cripple the program by freezing the FMR. Experience two years ago demonstrated that no annual increase in the FMR severely restrained certificate holders from securing affordable housing and discouraged landlord participation.

During FY'84 and '85 there were 73,500 housing vouchers funded. The voucher program was funded by the Congress as a demonstration program and has yet to be implemented and evaluated. The Section 8 existing program has already proved to be a successful means of providing assistance to low income persons seeking standard rental housing in the private market. A NAWRO survey conducted during the summer of 1984 indicates there is an average of eleven applicants for each certificate issued. The demand for housing assistance by low income persons is growing and the pressure to provide assistance through Section 8 Certificates has increased due to the lack of production of low income rental units.

The Section 8 Existing program has accomplished multiple objectives in participating communities:

1. made private market rental housing affordable to low income persons,
2. utilized the existing housing stock for rental to low income persons,
3. permitted recipients the option of choosing their own unit and location, and
4. promoted economic integration of recipients throughout the community rather than clustering them in certain areas.

NAHRO opposes any moratorium on incremental Section 8 Existing certificates and supports 75,395 incremental certificates for FY'86. This level extends a proven successful program to help meet the growing need for housing assistance. HUD should take steps to fully implement and evaluate the housing voucher demonstration.

THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

As you know, Mr. Chairman, the Community Development Block Grant program provides fund to cities, counties, towns, and states and was authorized in 1974 for the primary purpose of developing viable urban communities with the principal benefit to low and moderate income persons. This was the successor to a number of categorical grant programs, the principal one of which was Urban Renewal. Metropolitan cities and urban counties are entitled to funding on the basis of a needs formula that takes into consideration poverty population, overcrowded housing, growth lag, and the age of the housing stock. As a result of 1981 legislation, states may elect (47 states have elected) to administer the program for smaller communities, establishing their own selection systems and priorities. The Small Cities Program now receives 30 percent of CDBG funds, an increase from 20 percent originally.

Despite the success and popularity of the Community Development Block Grant program, the Administration is proposing a 10% cut in funding for FY86 with the possibility of phasing the program out completely over a longer period of time. The Administration also proposed to increase Small Cities funding from 30 percent to 40 percent of the available CDBG funds thereby reducing the amount available to individual entitlement cities. In addition, the Administration is again proposing to eliminate the Section 108 Loan Guarantee program, as well as folding Farmer's Home Administration Programs into the CDBG Program.

Support for the Community Development Block Grant program is strong among the large and small communities and states administering the program. The program is viewed as an essential tool by localities to help them stem the tide of blight and revitalize their communities. Consistent with the major objective of the program, which is to fund activities benefiting low and moderate income persons, over 87% of program funds are spent for this purpose. CDBG has a significant impact on local economies through job creation and retention, physical redevelopment and improved local tax bases.

Through FY'85, \$37.1 billion has been appropriated for the CDBG program. On an annual basis, approximately 814 cities and counties receive entitlement grants and 200 communities receive funding under the Small Cities program. Through December 1982, 157 loan guarantee commitments were approved under the section 108 loan guarantee program in the aggregate amount of \$581 million.

Since the inception of the CDBG program, the use of program funds has shifted to meet changing development needs. The level of funding for acquisition and clearance projects and public works projects has shifted from 20 and 36 percent to 4 and 11 percent respectively, of total grant funds in a year. Housing related projects, of which rehabilitation is the major activity, receive 36 percent of CDBG funds.

The ability of the CDBG program to continue to have the same impact is now threatened. Funding levels have not increased since 1980 while inflation has eroded the program's purchasing power. Also, the scope of eligible activities well as the number of participating communities, particularly entitlement communities, has increased.

A supplement to the CDBG program which has proven to be an asset to many communities (157 as of December 1983) is the Section 108 Loan Guarantee Program. The program authorizes HUD to guarantee loan obligations of communities to finance large scale projects that would otherwise not be undertaken. Communities are authorized to use their CDBG funds to repay the loan, usually within six years. Future grants are pledged as security.

The majority of users of the Section 108 program have said the projects would not have proceeded without the loans. Most of the others indicated that the projects would have been forced to be scaled back without the loan. The biggest users of this vehicle are communities needing financing for downtown economic development projects primarily involving acquisition and relocation. The program has not had more widespread use due to the fact that the loan had to be secured by a pledge of future CDBG funds and repaid within six years. To address this problem, the FY'85 Appropriation bill had report language directing HUD to extend a demonstration to permit payback within 20 years, thereby encouraging more localities to participate in the program. To date HUD has not implemented this provision.

Mr. Chairman, two other related objectives have been accomplished by the CDBG program: 1) significant progress in the area of public-private partnerships, and 2) increased leveraging of private funds by public dollars.

The development of more and more working arrangements between the public and private sectors which are mutually beneficial has been spurred by the CDBG program and is evident nationwide. A direct benefit of these partnerships has been the higher leveraging ratios of private to public dollars.

NAHRO opposes HUD's attempt to increase funding of small cities from 30 percent to 40 percent of available funding. This would have the impact of significantly reducing funds for individual entitlement communities.

NAHRO supports retention of the Section 108 Loan Guarantee program at a level of \$225 million and urges HUD to encourage more widespread use of the program. This program is a key tool that facilitates large-scale development projects and results in no additional costs to the federal government since the program is a loan guarantee and the localities pledge future grants to preclude default.

NAHRO opposes any effort to phase out or reduce the funding level for the CDBG program. NAHRO supports a funding level of \$3.611 billion, which is the fiscal year 1985 dollar level plus a 4 percent inflation adjustment.

THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

Lastly, Mr. Chairman, NAHRO would like to comment on the Urban Development Action Grant program. Here is a program the Reagan Administration ought to like and continue to fund.

As of November 19, 1984, after almost seven years of program operation, UDAG has assisted 2,410 development projects in 1,084 cities. Total investment of private, UDAG and other public dollars in these projects will exceed \$26 billion.

Over one-third of all UDAG projects involve manufacturing and related activities, including durable and nondurable goods, transportation, construction, and agricultural production. About one-half of the companies benefiting from UDAGs are new to the community in which the facilities are located, thus contributing to the expansion of the economic base of the community, and often serving to soften the impact of plant closings.

Half of all UDAG projects involve total or partial expenditures for commercial development in distressed cities. The projects range from downtown shopping, hotel, and office space to neighborhood shopping centers, nursing homes, and mixed-use facilities.

Approved UDAGs contain almost 95,000 housing units, with an even division between construction of new housing units and the rehabilitation of existing units. Thirty-nine percent of the units are reserved for lower income families having incomes below 80 percent of the median.

UDAG projects approved to date are expected to generate a total of 479,178 new permanent jobs. A study by GAO confirmed that employment expectations were largely met by UDAG projects included in a GAO survey. A 1982 study by the Reagan Administration indicated that 70 percent of the jobs created by a representative sample of 80 completed UDAGs were for low and moderate income persons. Over one-fourth of the employees hired had been unemployed previously and just over one-fourth of the jobs were filled by minorities. In addition to new permanent jobs, UDAG projects also provide over 467,000 construction jobs and retain over 120,000 jobs that otherwise would be lost to residents of distressed cities.

UDAG projects approved to date are expected to generate a total of \$20.6

billion of private investment -- \$5.60 of private investment for each dollar of UDAG funding. Both the Reagan Administration's UDAG study and the GAO study found that private investment in UDAGs exceeded the amount recorded in HUD project approval statistics.

UDAG projects approved to date are expected to generate a total of \$521 million of additional property taxes and other local taxes annually for cities with approved UDAGs -- or \$0.10 of annual local tax revenue for each UDAG dollar. While studies have indicated that this amount of additional taxes may be optimistic, increases in local revenues even at lesser amounts provide much-needed revenues for distressed cities that already have high tax burdens.

Based on program data for 1984, each \$440 million of UDAG funding buys the following for cities that receive grants:

- o 50,000 new permanent jobs
- o 3,000 jobs for low income persons
- o 100,000 construction jobs
- o \$2 billion in private investment
- o \$40 million in local tax revenue

The UDAG program funding level was dropped from \$675 million in FY'81 to \$440 million in FY'82 where it has remained to date. While funding has shrunk in constant dollars, the demand for funding has steadily risen. In the quarterly entitlement city funding round that ended February 1985, large cities requested UDAG funding of \$1 billion; only \$83.1 million of awards were approved based on the annual funding available. Small cities requested \$460 million of assistance in October 1984; only \$51 million (11 percent of the amount requested) was approved. The awards will attract over \$609 million in private funds, create 7,477 permanent new jobs, retain 546 existing jobs and employ 5,155 construction workers.

Action grants have been targeted to the most distressed cities in the country. Two-thirds of the large city UDAG dollars have gone to the top one-third neediest distressed cities, based on the ranking of impact and distress criteria. Since December 1983, almost three-fourths of the the funds have gone to the top one-third of neediest cities. This funding pattern has created an issue which threatens the future impact and support for UDAG. There are now proposals to change the UDAG project selection criteria to establish a more of geographically balanced pattern of funding.

The Administration proposes the termination of the Urban Development Action Grant (UDAG) after September 30, 1985. NAHRO believes this recommendation ignores the critical contribution of UDAG assisted developments to the revitalization of the communities in which they are located and the record high nationwide demand for funding. NAHRO strongly supports continuation of the program at a level of \$458 million, which is the fiscal year 1985 dollar level plus an inflation adjustment of 4%.

To address the geographic imbalance of funding, NAHRO supports a modification to the selection system so that 2/3 of available funds are awarded on the basis of the current system and 1/3 of the monies are awarded solely on the basis of project characteristics. This change will maintain program integrity but broaden the base for funding among eligible communities.

V. NAHRO'S FUNDING RECOMMENDATIONS FOR FISCAL YEAR 1986

NAHRO's overall funding level proposals are as follows, Mr. Chairman:

- CBBG -- \$3.611 billion
- UDAG -- \$458 million
- Section 108 Loans -- \$225 million
- Section 312 Loans -- Loan repayments and other income
- Rental Rehabilitation Grants -- \$312 million
- Urban Homesteading -- \$12.4 million
- Public Housing Modernization -- \$1.794 billion
- Public Housing Operating Assistance -- \$1.423 billion
- Housing Development Grants -- \$328 million (two years)
- Section 235 Home Ownership -- \$136 million
- Section 202 Loan Fund -- \$631 million (12,000 units)
- Policy Development and Research -- \$17.6 million
- Welfare Housing Demonstration -- \$10 million (authorized in 1983 act)
- Congregate Housing Services -- \$10 million (required to renew expiring contracts)
- Housing Counseling -- \$3.6 million
- Assisted housing -- \$9.0 billion for 100,000 incremental units as follows:

Public Housing--Conventional	5,000 units
Public housing -- Indian	2,000 units
Section 202/8	12,000 units
Section 8 Moderate Rehabilitation	5,000 units
Section 8 Existing	75,395 certificates

Mr. Chairman, it is with a heavy heart that we make these particular recommendations. They are too few and too little. They do not come close to meeting the need, and they do not move us very far toward our goal of a decent

home and a suitable living environment for every American family. They are a product of compromise, Mr. Chairman -- compromise between what ought to be done and what we can do over the objections of the President and his allies. What we are saying is that if there is to be no real growth across the board in federal programs then we accept no real growth for housing and community development.

NAHRO believes that the Congress and the American people need to understand very clearly that failing to move toward meeting our most serious housing and community development needs will lead to growing social problems that will cost all of us dearly in the future. The cost of dealing with the consequences of increasing numbers of homeless citizens and others forced to live in overcrowded and substandard housing will ultimately be far greater than the cost of providing them with decent shelter in federally assisted housing. The cost of allowing neighborhoods to turn into slums will ultimately be far greater than the cost of adequately funding Urban Development Action Grants and Community Development Block Grants.

Those of us at the local level in public housing authorities and community development agencies have worked very hard to meet the demands on our agencies in the face of reduced funding over the past four years. We have reduced staff. We have improved management to achieve cost savings. We have developed innovative approaches to stretch our development dollars and attract private investment. We have even been forced to postpone needed maintenance on public housing stock, which represents a public asset worth \$75 billion, in order to make ends meet.

But there comes a point beyond which we cannot be pushed in the name of reducing the federal deficit. The Administration's proposals bring us that point. Our backs are against the wall, and wall is crumbling. We don't have any choice but to fight to keep these programs alive. We are going to fight

just as hard as we know how.

But, Mr. Chairman, you and I know that low income people in need of housing and deteriorating neighborhoods in need of revitalization don't have political action committees; they can't buy advertising space on the editorial pages of the New York Times like Mobil Oil. These people often have trouble simply making their voices heard and their needs known. But NAHRO believes that Americans still have a social conscience. We believe that when Americans know the facts, when they understand the need, when they recognize that the entire community benefits from these programs, they will exercise that social conscience.

And we believe that Congress, with your committee in the lead, will respond by rejecting the President's totally inadequate proposals for housing and community development, and vote to sustain the federal commitment and the resources that allow us to work together at all levels of government to build a better America.

Thank you.



March 5, 1985

Appendix to NAHRO Testimony

The Honorable Henry B. Gonzalez
 Chairman
 Subcommittee on Housing
 and Community Development
 Committee on Banking, Finance
 and Urban Affairs
 U.S. House of Representatives
 Room 2129, Rayburn House Office Building
 Washington, D.C. 20515

Dear Mr. Chairman:

The National Association of Housing and Redevelopment Officials (NAHRO) is gravely concerned that the Congregate Housing Program, which has been such a success in its demonstration phase, will be allowed to expire without consideration of future uses.

In brief, many of the HUD contracts for the 33 Local Public Housing Agencies and 30 Section 202 non-profit sponsors participating in the demonstration will expire during FY 1986. At the same time, the Department of HUD has not yet released the final evaluation report on the demonstration, and it may not be released in time in 1985 to plan effectively for a future congregate housing services effort.

Our immediate concern is that funding be provided to enable agencies whose contracts will be expiring to continue services to the frail elderly and handicapped persons they are serving, until the Congress has the opportunity to assess HUD's evaluation report and consider a future course.

We are extremely pleased that the legislation which you introduced (HR.1) includes an additional authorization of \$10 million to extend funding for expiring contracts. We hope that the Subcommittee will also recommend this amount in its submission to the Appropriations Committee by March 15 for funding in fiscal year 1986.

I am attaching to this letter a statement by Elaine Anderson, Administrator of the Congregate Housing Services Program of the Public Housing Agency of St. Paul, Minnesota. This statement documents the value and cost-effectiveness of the program.

We request that this letter and attachment be included in your hearing record on 1985 housing legislation as an appendix to NAHRO testimony.

Sincerely yours,

Robert W. Maffin
 Executive Director

Appendix to the testimony of the
Deputy Administrator of Housing and Redevelopment Affairs
March 2, 1966

The Congregate Housing Services Administration--
a Federal Program

By Earle Anderson
Deputy Administrator
Congregate Housing Services Program
Public Housing Agency
St. Paul, Minnesota

John McJannet, 74, suffers from severe emphysema and cancer of the esophagus, which is in terminal condition. He has been in a nursing home in St. Paul for over a year after his home "had to come up on the waiting list" of the St. Paul Public Housing Agency's Congregate Housing Service Program (CHSP). The Professional Assessment Committee of the CHSP reviewed John's condition and approved his admission to the program. A few weeks later, he moved into his apartment where he has been able to enjoy the luxury of having "control" over his own life and his own environment. John, who uses oxygen at a 20% level, doesn't have the time and the need for "nursing." Yet, with the help of the services provided through the CHSP, he is convinced that his medical condition in his nursing center, he was a very active man. Today, he participates the pride of his independence. His days are spent mainly in his apartment with visits from his daughter, family members and an old friend, along with other "get in" games in his office. Most often in the community, "get in" games. His needs are being met with a minimum of "nursing" or other.

John is one of 2,000 other elderly, frail or disabled participants in 25 different CHSPs across the United States. They all confirm the need for help and the benefit of nursing home placement on a regular basis. The CHSP, authorized by Title 20 of the 1976 Housing and Community Development Act, allows HUD to grant 3-5 year contracts to 35 Public Housing Agencies and 30 housing sponsors for provision of meals and supportive services to elderly and handicapped residents who are at risk of institutionalization, or who are undergoing long-term recuperation from illness.

Services provided in the CHSPs across the United States vary, depending upon participant needs and available services in communities. The common thread among all CHSPs is two meals per day, seven days per week, at least one of which provided in a congregate setting. In addition to nutrition, which is the backbone of the program -- CHSPs offer services such as housekeeping, personal care assistance, case management, counseling, transportation, escort services and shopping services. The CHSP framework enables additional social services to be funded through outside sources. The high concentration of elderly needing supportive assistance in CHSPs creates an opportunity for other community agencies to implement effective and innovative services. In St. Paul, for instance, the county nursing agency started a weekly nurses' clinic in the Public Housing Ravenna Hi-Rise where the CHSP is located. Another agency operates an adult daycare program three days per week for residents of Ravenna.

Appendix to the Testimony of the
National Association of Housing and Redevelopment Officials
Elaine Anderson, March 5, 1985
Page 2

The purpose of the CHSP is to deliver services that still allow the frail elderly and handicapped to remain in their own homes and avoid or delay nursing home placements at a significantly lower cost than institutionalization. In order to determine the program's success, HUD contracted with the Hebrew Rehabilitation Center for the Aged of Boston, Massachusetts to perform an extensive evaluation. The findings of this 5-year study are expected to be published in late Spring, 1985.

However, if you ask anyone connected with the CHSP grant across the United States whether the CHSP works, you will hear a resounding - yes! The participants, their families and staff are keenly aware of the difference between the quality of life in one's own home with provision for assistance - and a nursing home.

Not only has the CHSP provided an improved quality of life at this semi-independent level, its success can easily be measured in dollars. In a study conducted independently by the CHSP grantees in March 1983, costs of operating CHSPs compared to institutional care were analyzed. The data collected showed that it cost less than \$5,000 per person per year to provide CHSP services and subsidization of housing. This is approximately \$10,000 less per year than it cost the taxpayers for one person to reside in a nursing home over the same period of time. The CHSP grantees believe the figures speak for themselves. For each dollar spent on CHSP services per participant annually, two dollars can be saved by preventing or delaying institutionalization.

CHSPs have successfully assisted people to avoid nursing home placement. Data from the CHSP independent study showed that an average of 3.5 people per CHSP site across the country are former nursing home residents who were able to leave the institutions because CHSP services provides for an adequate level of care. In St. Paul, Minnesota, 14 people have been able to leave institutions to move into the CHSP since the program's inception in 1982.

Data collected demonstrate there is a need for many additional CHSP - type programs across the country. Once CHSPs have become full, CHSP administrators have had to turn eligible applicants away. In fact, an average of 4.7 persons presently exist on each CHSP waiting list. We know that up to 24 percent of the nation's elderly population who reside in public housing's 1.2 million units need supportive services and are at risk of requiring nursing homes.

The elderly population will double in the next century, but the ability of the wage-earning segment of the population to support their needs is expected to be cut in half. People beyond age 85 are the fastest growing segment of the older population. It is this group that is most vulnerable to physical, mental and social limitations that lead to the need for care and services. In view of the fact that the growth of our elderly population is outpacing government revenue, tax dollars won't go far enough if nursing homes are the only answer for frail and disabled elderly. CHSP is one viable alternative.

NAHRONational Association of Housing and Redevelopment Officials
2800 Virginia Avenue, Northwest, Suite 404 Washington, D.C. 20014 (202) 444-2120

March 29, 1985

Honorable Henry B. Gonzalez
Chairman
Subcommittee on Housing and
Community Development
House Committee on Banking,
Housing and Urban Affairs
U.S. House of Representatives
Washington, D. C.

Dear Congressman Gonzalez:

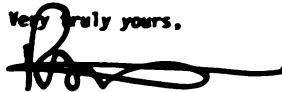
At the time NAHRO testified before the Subcommittee on H.R. 1, we asked that a report of NAHRO's Task Force on Performance Standards be included in the record of the hearing. The Report accompanies this letter.

For well over a year, the NAHRO Task Force on Performance Standards has been designing and developing a system to be used by the public housing industry to expand the capacity of local agencies to evaluate and improve their performance. The current Report outlines the major elements of a "Management Evaluation and Improvement System," the present status of each element and the schedule of development and application NAHRO is following.

NAHRO believes that the industry-developed system can significantly aid local public housing agencies in the delivery of quality public service and assure the continued long term use of the valuable public housing inventory we have built.

NAHRO has a distinguished record of performance itself in advancing the development of sound public programs and their effective management. We believe the results of the Performance Standards Task Force continue the solid record of performance and again demonstrate the willingness of the public housing industry to lead in the achievement of high levels of public service.

Very truly yours,



Robert W. Maffin
Executive Director

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**REPORT OF
THE NAHRO TASK FORCE
on
PERFORMANCE STANDARDS**

**A MANAGEMENT EVALUATION
AND IMPROVEMENT SYSTEM
for
PUBLIC HOUSING AGENCIES**

March 29, 1985

The National Association of Testing and Development Officials (NATDO) has a long tradition of leadership in fostering improved professional performance, in the development of training and certification programs and in the distribution of information on effective practices in the development, maintenance, and administration of public testing activities.

Consistent with this tradition, NATDO has created a Test Force which has been working as a systematic approach to the development and improvement of company performance in the testing industry. The Test Force has developed a comprehensive Company Evaluation and Improvement System (CEIS).

This system tests and improves testing professionals and, in addition, offers to improve company effectiveness and service quality, and testing to establish satisfactory relations of industry and individual performance. The need for a systematic, multi-faceted approach to company and individual in the public testing industry has become increasingly clear in recent years to both industry professionals and clients.

Although the public testing industry provides acceptable services and results the other day, improvement is necessary to ensure that results are acceptable and to ensure that the industry continues to bring solutions.

In contrast, companies and organizations professionals do not work to improve to maintain and increase public testing effectiveness. As such, it continues to challenge and skills and performance standards in order to maintain an acceptable and to meet industry to public and professional.

Also, it is important that we take steps to use challenging, achievable standards because of the need to show others that we provide high quality services.

Generated by people in the field, this system is adaptable to the widely varying conditions and sizes of housing authorities. The Task Force has emphasized the value of a management system that allows housing authority directors to analyze and control performance. More important, however, housing authorities are able to adopt a process that will allow them to establish a plan for achieving desirable performance levels.

The system undergoes a never-ending process of iteration and reiteration through its built-in capacity for constant testing, measuring, evaluation, analysis, modification and improvement of itself.

The Task Force herein outlines the elements of this Management Evaluation and Improvement System:

- (1) Compilation of source material on functional and sub-functional areas common to public housing administration and development of a dictionary of terms used in performance systems.
- (2) Identification of performance indicators that measure results in each of the functional areas defined or identification of performance analysis checklist items that trigger self-analysis in the particular function.
- (3) Receipt and analysis of industry feedback on indicators, the analysis checklist, and individual experiences within results-oriented performance systems.
- (4) Development of a set of performance standards that measure a PHA's effective performance in achieving planned objectives or targets. In setting these standards, factors such as program size, location, age, and demographic characteristics will be considered.

- (5) Refinement and expansion of the indicators and performance analysis checklist based on PHA feedback.
- (6) Development of a training program to equip PHA executives and professional staff with the skills to: (a) select meaningful performance indicators identifying progress toward achievement of a specified target, and (b) establish appropriate standards for measuring the PHA's performance in achieving its goals.
- (7) Development of a technical assistance program to assist PHAs in establishing and executing a results-oriented management system based on quantifiable and objective standards of performance.

The Task Force has completed the first three elements listed above, and is in the process of completing the four remaining elements. Performance standards (task 4, August 30, 1985 completion), have been developed by the Task Force and are now being distributed to NAHRO members for comment.

Task 5, the refinement and expansion of the indicators and checklist will be reviewed by the task force and industry by July 30, 1985. The training and technical assistance components, tasks 6 and 7, will be complete and ready for review by September 30, 1985, with an introductory training session held at the NAHRO National meeting in October 1985. A total system will be ready for implementation in the housing authorities by the end of 1985.

First, the task force developed a lexicon defining all commonly used housing terms so that users of the system can be assured of the meaning ascribed to a word or phrase appearing in the materials. In this way, consistency of interpretation can be guaranteed. The lexicon is attached as Appendix A.

Another product of the Task Force was an outline and description of all major functional areas of public housing authority management. These

functional areas are:

- * General Administration
- * Project Management
- * Maintenance
- * Finance and Accounting
- * Safety and Security
- * Procurement and Inventory
- * Social and Community Services
- * Modernization
- * Development

These functional areas were further refined to include sub-functional areas and each was specifically defined. The function/sub-function outline and definitions are contained in Appendix B.

Completion of this step assures not only that all system users, public housing experts or not, will fully understand the system, but that the system is fully adaptable to any housing authority.

Although PHAs may be differently organized, all the defined functions are conducted as part of the authority operations. As a housing authority uses the MEIS, its own operation will be analyzed to determine which operational unit performs the defined function or sub-function.

The sub-functions of any particular function may be carried out in several organizational units and indeed may be called by different names. However, using the definitions listed it is clear where functional

responsibility for any aspect of management lies.

The outline and definitions also will assist a PHA in preparing functional statements for all its organizational units. Although seemingly basic, this review is an important prelude to any review of operations and subsequent plans for improvement. The functional statements are as important for organizational units as job descriptions are for individual employees. Complete statements make clear where responsibility for carrying out any function or sub-function is assigned and where there is shared or support responsibility. Such internal clarity is important to successful use of the system.

Once all operational functions were defined by the Task Force the next important step was to propose a method to determine or measure how well a particular function is being performed. The chosen method was the articulation of performance indicators for the functional areas. Performance indicators are defined as "quantitatively measurable conditions, which evidence the degree to which a functional area or sub-function is being carried out."

The Task Force, using member expertise as well as the experiences of other PHAs around the country, has proposed, circulated and refined a list of key performance indicators for public housing management.

An example of an indicator that can be used in the functional area of Project Management is "Number of occupied units as a percentage of available units under subsidy". This indicator is easily quantifiable and tells whether or not a PHA is able to maintain a high level of occupancy.

For other sub-functions, such as policy or information management in

the functional area of General Administration, quantifiable indicators are neither easily defined nor most useful. In these and similar areas, the Task Force has chosen to use a performance analysis checklist to assist a PHA in determining its level of performance. For example, one checklist question in the information management area is "Does your PHA have a system for receiving information for all major functional areas of the operation?" This is a better threshold question for analysis of information system adequacy than a more detailed quantified question.

These performance indicators and checklist questions are merely means of describing levels of performance. By determining the answer to each question, or number for each indicator, a PHA will obtain a general profile of its overall performance.

This exercise is useful by itself; however, it becomes more useful in the area of evaluation and improvement if the PHA can then compare its profile with levels of performance considered to be desirable in the opinion of industry peers. For this reason the Task Force has gone on to develop proposed performance standards for each key indicator. Performance standards are defined as "acceptable measure(s) or level(s) of performance assigned to performance indicators." As with performance indicators the proposed standards are drawn from the experiences of task force members as well as others in the industry. These proposed standards will be frequently reviewed and revised as experience in the use of this system grows. As these performance standards were chosen by the Task Force they represent desirable and high levels of performance. While they are not designed to establish the highest possible levels of performance, neither

are they designed to reflect minimally acceptable levels. They are proposed to describe desirable levels of performance for a well-managed housing authority.

What has been described thus far is a system that defines functional areas of PHA operations, defines measures of performance of those functions, and proposes desired levels of performance. A chart containing all indicators and standards is found in Appendix C.

This chart constitutes a tool for the use of PHA's in analyzing their performance, and points out areas in which improvement is needed. To return to the example indicator cited above ("Number of vacant units as a percentage of available units under subsidy") a PHA performance level which does not meet the standard indicates that the correlating sub-function is being carried out to a lesser degree than the industry feels is desirable.

However, the knowledge that a PHA vacancy rate exceeds the standard does not tell PHA management the reason for the deviation. Further analysis is necessary.

One must then look at indicators regarding available applicants, unit turnaround time, (including leasing time), period of time for completion of routine or emergency service request, condition of units and availability of modernization funds and turnover. Inadequate performance or resources in any of these areas might lead to an excessive vacancy rate.

In order to identify the cause of unsatisfactory occupancy levels, performance in all of the above areas must be determined. Insufficient numbers of applicants for a particular bedroom size, too lengthy turnover time and/or inadequate maintenance service giving rise to tenant dissatis-

faction all can be causative factors. This second level of analysis is needed to properly design solutions. The task force intends to complete and add this second tier of diagnostic indicators and checklist questions. Such analysis has been done by other groups. HUD's two volume Insider's Guide to Managing Public Housing is one such document. The Task Force will review this and other work to provide the MEIS user a helpful diagnostic format.

Once a PMA has completed its review and determined its performance profile it will be able to pinpoint functional areas in which improvement is necessary. It is anticipated that not all PMAs will meet the proposed performance standards as they are first published. Thus, the Task Force has chosen to develop a system of management evaluation and improvement rather than simply publish a list of standards. What will be helpful to individual housing authorities is the introduction of a methodology by which they can review, analyze, and improve performance. The step between identifying problem areas and improved performance is an improvement plan. In implementing an improvement plan, a housing authority must undertake several activities:

- * Develop a process for planning in the PMA
- * Set long-term goals and corresponding annual improvement objectives.
- * Prioritize agency goals and objectives.
- * Develop detailed action plans to carry out articulated goals and objectives.
- * Systematically match resources with desired objectives.
- * Develop a process for periodic monitoring of performance against stated objectives.

The Task Force will propose in outline an appropriate planning process. Such an outline or model will be adaptable to the widely varying needs of PMAs. An adaptable system is proposed in order that PMAs of different sizes and organizational structures will find it useful.

Included in this process will be a methodology for setting and prioritizing agency goals. These goals can be long term (three to five years)

if the solution to the problem will take that long to implement or if it should be implemented in stages. If this is the case, the PHA should establish locally appropriate interim objectives expressed annually to measure incremental progress. All objectives should be prioritized in order to facilitate resource allocation.

Next, each organizational unit primarily responsible for the accomplishment of an objective must prepare a detailed action plan leading to attainment of the objective. As important as the listing of sequential activities and tasks are other factors to be considered in planning. Areas of support responsibility must be agreed to by other organizational units. Measurable performance indicators must be chosen for each objective and each objective must have significant milestones, perhaps at quarterly intervals to measure progress toward the objective. It is important that all resource requirements be detailed at the time the plan is formulated so the required staff time as well as other expenses to be incurred can be acknowledged from the staff.

A systematic process for matching the resources with the desired objective must be utilized. Available staff hours must be calculated to ascertain the availability of staff resources to achieve greater output in some areas without suffering deterioration in areas where performance is already adequate.

Estimated staff needs as well as contract cost or materials needed should be estimated at the commencement of planning so that the complete plan is one that can be accomplished within the resources available to the PHA. The planning process should be accomplished in close conjunction with

the budgetary process. If the budget is perceived as the key management tool which describes allocation of the resources in the organization, then the agency plan for improvements must play a major role in dictating the distribution of human and material resources throughout the agency. Planning and improvement priorities must be consistent with budgetary priorities.

Finally, the PHA must develop a system for periodic monitoring of progress made toward attainment of objectives. Such monitoring can be done at monthly or quarterly intervals. This may require the establishment of new information systems to track the indicators established for improvement objectives.

The system utilizes models for the planning process that can be adapted to the needs of individual authorities. Also utilized by the system, and developed in conjunction with IAHRO staff, are training modules that can be used by PHAs. For example, individualized modules will be developed for planning and evaluation. Training will take place on request at various IAHRO conferences. Individual PHAs will be able to do their own training as desired by availing themselves of the prepared modules.

Included in the MEIS is a Technical Assistance component, based upon the development of a cadre of pre-qualified experts in various functional areas of public housing operations such as finance and accounting, general administration and maintenance.

The Technical Assistance component operates on a national basis, upon demand and will be provided to individual public housing agencies or

groups of agencies under terms to be negotiated by those desiring assistance.

The technical assistance include such items as:

- o identifying specific management problems and issues;
- o quantifying and evaluating overall performance by functional area;
- o recommending, evaluating and monitoring work out plans;
- o recommending organizational changes, policy modifications, and more.

Occasionally linked to or functioning as an outgrowth of the Technical Assistance component may be a Training component for upgrading staff performance in meeting organizational goals and objectives. It may also serve as a direct follow-up component to that of Technical Assistance, dealing with issues as wide-ranging as technical difficulties to general administration or policy making. Encompassed within the Training component are certification, other programs, and industry recognition of satisfactory performance and completion of training programs.

It is not intended that the Management Improvement and Evaluation System be used immediately as a tool for grading housing authorities. As stated above, the most important aspect of this system is the opportunity it will give housing authorities to analyze and plan for the improvement of their operations. The performance standards proposed will be modified after field use of the system. Field use will allow the development of truly accurate or ranges of standards. When this is complete the system and standards can be used in various ways to recognize superior performance. Attainment of the standards can allow housing authorities to be relieved of some HUD reporting requirements and receive industry recog-

niton. Those still falling below desired levels would be required to maintain appropriate work-out plans with agreed upon levels of HUD support.

As outlined above, the elements of the MEIS are designed to provide individual housing authorities with a management tool which can be used to review internal performance, define locally appropriate performance levels, plan for the achievement of those levels and monitor and control management efforts, whether or not improvement is warranted. In short, the MEIS acts as a powerful resource with which to serve public housing needs throughout the nation.

APPENDIX A

PERFORMANCE STANDARDS TASK FORCE LEXICON

I. GENERAL ADMINISTRATION

General Administration: the function that encompasses coordinating and regulating the internal operations of an authority; generating the resources required for its operation; allocating those resources among the various functional areas and among different sites; and maintaining relations with local government, HUU, and the public at large.

A. POLICY MANAGEMENT

Policy Formation: the activity of developing policy. It should be formulated on the basis of legitimate need. It is the responsibility of the governing body. It should be consistent, reasonable, enforceable, and void of ambiguities.

Policy Management: the administrative activity promulgated to control and implement developed policy in order to achieve organization objectives. Policy management includes general guides that all members of an organization must follow in order to achieve organizational goals and objectives.

Policy Monitoring: the activity of reviewing existing developed policy. It should contain measures of control and procedures to ensure fulfillment of the interest of the policy.

Policy Evaluation: consists of review techniques which contain measures to determine the effectiveness and need for the policy.

B. RESOURCE MANAGEMENT

Resource Management: the effective use and planning of existing resources to coincide with formed policy. It is the effective use of resources in an organized, orderly fashion to achieve the desired results. An important aspect is the inclusion of both monetary and human resources recognized as necessary to develop and implement organizational goals and objectives.

Resource Generation: the effective creating, locating and developing of needed resources to implement the agency's program. Resource generation includes identifying needed resources and enhancing the availability of resources.

Resource Planning: an activity organized to effectively determine the use of generated resources that will achieve the agency's desired objectives.

Resource Allocation: includes all resources allocated to each objective and should identify the number of full-time personnel, hours of overtime and temporary personnel.

Budget Development: the process of organizing and designating resource use within a given financial plan to receive desired results.

C. **PERSUNNEL**

Personnel and Training: all activities relating to the recruitment, training, and retention of the personnel required to run a PHA. This functional area also has responsibility for codifying and administering the ground rules under which employees operate and which define their rights and responsibilities. Its objectives are the assembly, maintenance, and continued development of skills necessary to perform the authority's functions and to realize maximum productivity from employees with minimal personnel expenditures. Enlightened organizations are also concerned with increasing job satisfaction and job security as desirable ends in themselves.

Grievance: a dispute arising out of the application, interpretation, or enforcement of a policy or procedure.

Job Description: a statement of duties and responsibilities, reporting relationships, hours/location and qualifications/requirements.

D. **INFORMATION MANAGEMENT**

Information Management: the processes, procedures, and controls instituted by the agency for generating, transmitting and using pertinent information in the management and support of its operational activities.

E. **PUBLIC AND COMMUNITY RELATIONS**

Public and Community Relations: the establishment and maintenance of relationships that influence opinions and impact on the generation of resources for public housing programs.

F. **RISK MANAGEMENT**

Risk Management: the measurement, analysis and handling of all risks resulting from loss. Risk management handles risk by reducing risk, transferring risk (insurance), or accepting the risk.

G. **LEGAL SERVICES**

Legal Services: the in-house and/or outside counsel that represents the public housing authority and advises it on legal matters. Legal services are employed in such areas as union negotiations, bond sales, repair and service contracts, lawsuits related to residents, and employee grievances.

H. **PROGRAM MARKETING**

Program Marketing: the Public Housing Authority's approach to attract potential participants in its programs.

II. PROJECT MANAGEMENT

Property Management: the day to day "care and feeding" of housing developments, which primarily means balancing and integrating the activities of a number of other functional areas when they come into the orbit of a given site or set of sites. Property management is the process which directly delivers housing services to the consumer. It is also the means by which the basic policies, standards, and procedures adopted by the authority are transmitted to the site level. Property management's primary tasks are administrative and coordinative. Because of its central coordinating role, linkage to other functional areas is the heart of property management.

Property Management: a complex and specialized service profession which maintains and operates the physical structures that house and shelter people while balancing the interests of the residents and the surrounding community within federal requirements and budget constraints.

- A. Property: A lot or plot including all buildings and improvements thereon.
- B. Occupancy: the process of establishing the terms of residence, attracting potential tenants, screening the pool of applicants, and subsequently letting apartments to those found eligible and acceptable.
- C. Vacancy Rate: the percentage of a locality's available housing stock that is vacant.
- D. Vacancy Losses: Income not received by management due to unrented units.
- E. Collection Loss: Financial loss attributable to the failure or inability to collect money amounts due, as from tenants.
- F. Contract Rent vs Gross Rent

Contract Rent: the rent actually charged by the PHA to the tenants.

Gross Rent: contract rent plus an estimate of the cost, if any, of utility payments made directly by the tenant.

which can be considered preventive in nature, such as waxing floors. Examples of janitorial activities are sweeping and mopping floors, making general trash pickups, and replenishing paper supplies.

7. Grounds Upkeep: activity which preserves or enhances the grounds in appearance and/or condition. Examples of grounds upkeep are seeding, fertilizing, and mowing of lawns. Also includes such activities as planting, mulching or pruning of shrubs.
8. Vacant Unit Preparation: the general reconditioning of dwelling units done according to the PHA's standards prior to the move in of the next family.

B. OTHER MAINTENANCE TERMINOLOGY

1. Backlogged Routine Maintenance (RM) Work Orders: work orders of a routine nature which have been written, are available for assignment or have been assigned to work crews, but have not yet been completed.
2. Quality Control Inspections: periodic examination of work reported as completed on work orders. Work is inspected for

- quality of work
- completeness of work

In addition, the PHAs may elect to include determination of resident satisfaction with the repair. Quality control inspections generally are done on a sample of the total work orders performed in a given time period, selected by a systematic process.

IV. FINANCE AND ACCOUNTING

Finance and Accounting: central function is to oversee the flow of monetary resources among the various operating and administrative divisions of an authority. It is also the PHA's main agent for, and monitor of, financial transactions with groups outside the PHA. Finance and accounting is frequently thought of as largely a bookkeeping operation-in charge of tracking all items of income and expense; however, it may also have responsibility for cash management, and some informal allocative or budgetary authority.

V. SAFETY AND SECURITY

Security: protecting people and property by controlling crime, anti-social behavior, and vandalism on authority property.

Crime Rate: The crime rate is based on an index comprised of seven specific crimes as defined by the Uniform Crime Reporting Committee, International Association of Chiefs of Police. They are those offenses which are most likely to be reported to the police and their seriousness and/or frequency of occurrence provide an adequate basis for comparison. The index crimes are murder, forcible rape, robbery,

aggravated assault, burglary, larceny theft and motor vehicle theft.

Security Design Deficiencies: site features which contribute to tenant vulnerability and include, but are not limited to, insufficient lighting, inadequate door and mailbox locks, absence of screens or window gauges, insufficient fencing, etc.

Vandalism Cost: the total cost assumed by the PHA, including repairs and replacements, due to malicious damage to or defacement of the PHA's property and equipment.

VI. PROCUREMENT AND INVENTORY

Procurement and Inventory: to buy, store, reallocate, and track the material resources necessary for an authority's operations.

- A. **Procurement:** a comprehensive term that is applied to the entire process of acquiring goods and services. A synonymous term is "purchasing", which also describes the process of acquiring goods and services.
- B. **Inventory Management and Control:** Inventory is generally grouped into categories, according to how the materials are used. This practice facilitates location and identification of property in storage. In the case of Public Housing Authorities, specific categories should be identified after reviewing the kinds of materials that will be obtained and issued.
 - 1) **Inventory:** a stored amount of property or goods, materials, equipment, or supplies needed for maintenance and operations.
 - 2) **Disposition:** the process used to dispose of surplus property.

VII. SOCIAL AND COMMUNITY SERVICES FUNCTION

Social Services: pertains to the non-housing or welfare needs of residents' daily life, assists them in becoming more self-sufficient and reduces the long term burden on management operations.

Community: a social group or class having common interests.

Community Centers: a meeting place used by members of a community for social, cultural or recreational purposes.

Outreach: to reach or go beyond, surpass, to extend (something) outward; to bring in outside independent agencies or programs or to refer individual residents to outside agencies.

Social and Community Services: Services may be administered on a variety of levels depending on available funding, size and needs of the PHA. For instance:

1. a fulltime staff person (social worker, counselor) and/or in-house social services department.

2. a parttime staff person who does outreach and who may or may not do individual or group counseling; or
3. no specifically assigned job duty, responsibility or category within the agency's management operations.

Referral: Procedure developed by a local public agency for calling on resources outside the agency to provide the special skills and services needed to assist families and individuals residing in a project area, or relocated from a project area, in overcoming social and economic problems which interfere with adequate rehousing opportunities, increase the hardship of displacement, or make it difficult to obtain the financing necessary to undertake rehabilitation activities.

VIII. MODERNIZATION

Modernization: The activity of updating management operations and structures to modern concepts of architecture, building codes and living concepts.

A. OVERALL NEEDS ASSESSMENT AND PLANNING

Overall Needs Assessment and Planning: a comprehensive review of a project or projects, to ascertain environmental, social and physical needs and funding resources, from which a modernization plan may be formulated.

1. **Project Planning:** A detailed formulation of a modernization plan with objectives and goals.
 - a. **Application Processing:** the required format and forms used in making a request.
 - b. **Methodology:** Method or system that the PHA plans on using to accomplish work.
 - 1) **Force Account:** use of own staff to accomplish work.
 - 2) **Contract:** use of contract with outside organization to accomplish work.
2. **Execution**
 - a. **Design:** the written specifications and schematic drawings used in performing the modernization of project.
 - b. **Re-location Planning:** a detailed formulation of a plan to move tenants and administer payments to facilitate modernization work, when needed.
 - c. **Construction:** hands on application of performing work.
 - d. **Inspection:** periodic examination of work, to ensure compliance, quality and completion.

3. Program Monitoring: periodic review to assess the modernization plan to determine if it is meeting the established goals and target dates and making the required reports.

IX. DEVELOPMENT

Development of New Housing Units: planning, designing, constructing, acquiring, and rehabilitating additional housing units for eligible persons and families.

APPENDIX B

Functional Areas And Subfunctions

The functional areas and subfunctions the Task Force agreed to use are:

- | | | | |
|---|--|---|---|
| <p>General Administration Functions</p> <ul style="list-style-type: none"> • Tenant Selection • Application Processing • Rent Determination • Unit Assignment • Annual Reexaminations <p>B. Rent Collections</p> <ul style="list-style-type: none"> • Tenant Accounting • Delinquency Follow-up <p>C. Lease Execution & Enforcement</p> <ul style="list-style-type: none"> • Inspections <p>D. Tenant Relations</p> <ul style="list-style-type: none"> • Dispute Settlement <p>E. Energy Conservation</p> <p>Maintenance Function</p> <ul style="list-style-type: none"> A. Routine Maintenance B. Emergency Maintenance C. Preventive Maintenance • Inspectors • Elevators <p>D. Extraordinary Maintenance</p> <p>E. Janitorial Maintenance</p> <p>F. Grounds Upkeep</p> <p>G. Vacant Unit Preparation</p> | <p>Finance & Accounting Functions</p> <ul style="list-style-type: none"> A. Budget Monitoring & Control B. Receipts & Disbursement C. Investments & Reserve Management <p>D. Audits</p> <p>Safety & Security Functions</p> <p>A. Physical Security</p> <ul style="list-style-type: none"> • Hardware Management • Grounds and Common Spaces • Lighting • Design and Landscaping <p>B. Personal Security</p> <ul style="list-style-type: none"> • Police Relations <p>C. Crime Prevention</p> <ul style="list-style-type: none"> • Education • Tenant Involvement <p>Procurement & Inventory Functions</p> <p>A. Procurement</p> <ul style="list-style-type: none"> • Specifications • Bidding <p>B. Inventory Management & Control</p> <ul style="list-style-type: none"> • Planning • Storage <p>C. Disposition</p> | <p>Social & Community Services Functions</p> <ul style="list-style-type: none"> A. Programming • Outreach • Referral • Coordination <p>B. Administration</p> <p>Modernization Functions</p> <p>A. Overall Needs Assessment & Planning</p> <ul style="list-style-type: none"> • Project Planning • Application Processing • Methodology <p>C. Design</p> <p>D. Relocation</p> <p>E. Construction & Inspection</p> <p>F. Program Monitoring</p> <p>Development Function</p> <p>A. Needs Assessment & Planning</p> <ul style="list-style-type: none"> B. Project Planning C. Development Financing D. Site Selection E. Design F. Construction • Inspection | <p>Information Management</p> <ul style="list-style-type: none"> • Public and Community Relations <p>F. Risk Management</p> <p>G. Legal Services</p> <p>H. Program Marketing</p> <p>Project Management Function</p> <ul style="list-style-type: none"> A. Occupancy Processing |
|---|--|---|---|

OBJECTIVES

Function	Sub-Function	Indicators	Checklist	Description	Standards
General Administration	Policy Administration- Management	1	1	Does the PM have management plan to be achieved with specific timeframes with specific targets?	
		2	2	Does the PM have written policies, procedures and appropriate control to ensure adherence?	
Information Management	Information Management	1	1	Does the PM have a system for receiving information for all major functional areas of the operation?	
		2	2	Does the PM analyze information and use it in making managerial and policy decisions?	
Project Management	Occupancy Processing	1	1	Number of occupied units as a percentage of 90%	
		2	2	Average number of vacancy days per turnover, 20 days	
		3	3	Has the PM reviewed the planned number of vacant units made available for occupancy during the reporting period?	90%
Rent Collection	Rent Collection	1	1	Percent of annual reconnections completed.	90%
		2	2	Percent of tenant account receivables, as compared to total charges per month.	100%
		3	3	Percent of rents collected.	90%
Maintenance Management	Emergency Maintenance	1	1	Average response time per emergency work order.	same day
		2	2	Average response time per routine work order.	10 days
Preventive Maintenance	Preventive Maintenance	1	1	Number of work orders completed as compared to the number received within 30 days.	90%
		2	2	Number of units inspected for preventive maintenance as a percent of total occupied units.	100%
		1	1	Does the PM have a preventive maintenance program?	



Finance and Accounting	Budget Monitoring and Control	X	Percent of variance in budgeted vs. actual expenses, year-to-date.	100
	Investments and Reserve Management	X	Average interest rate earned on investments for a three-month period as compared to the average of three-month Treasury bill rates.	1000
		X	Operating reserves as a percent of maximum allowable reserves.	400
Safety and Security	Receipts	X	Are annual receipts operating expenses less than total assets received?	
	Personal Security	X	Has the PMA crime rate remained the same or decreased over the last three years?	
		X	Has the ratio of arrests to reported crimes in the PMA increased or decreased over the last three years?	
		X	Does the PMA have a program of physical improvements to provide security, such as security hardware and safety devices?	
		X	Does the PMA have tested self-defense security programs?	
Procurement Inventory	Crime Prevention	X	Does the PMA have written procurement procedures?	
	Procurement Inventory	X	Is an annual inventory taken for expendable and non-expendable goods?	
	Inventory Management	X	Does the PMA have internal controls to ensure integrity of personnel?	
Social and Community Services	Programming	X	Does the PMA have a plan to insure delivery of the social service programs available to residents?	
		X	What percentage of PMA residents are served by the social service program?	
		X	Are the social service needs of residents being met? (actual vs. planned) correspondingly available programs are adequate?	
Resource Allocation	Program Monitoring	X	Percent of work items completed for each administrative program (actual vs. planned) for the last 12 months.	900
		X	Percent of variance between actual and scheduled budget expenditures for each administration project.	300
Development	Construction	X	Percent of variance between planned and actual project completion schedule.	100
		X	Percent of variance between actual and scheduled budget expenditures for each development project.	100

Chairman GONZALEZ. Mr. Wylie?

Mr. WYLIE. Thank you, Mr. Chairman and Mr. Maffin.

I do want to welcome you to the subcommittee and thank you for taking the time to appear before us and, indeed, your statement is a very thoughtful presentation of your view.

Were you here when Ms. Gray testified?

Mr. MAFFIN. Yes, I was, sir.

Mr. WYLIE. What did you think of her testimony?

Mr. MAFFIN. I was struck immensely by it, Mr. Wylie, and it caused me to reflect for a moment—as I said at the outset—on what a very diverse program the public housing program really is that permits, allows, encourages the kind of development that Ms. Gray spoke about in this city.

In other cities they do it differently. But the fact of it is that the Public Housing Program is adaptive and flexible enough to do many things if all the partners are willing. And that's why we support these kinds of things as ways to deal with housing low-income people and, indeed, encouraging homeownership. But it is one way.

And the great virtue of the programs we've developed over the years is that they permit us to use many different ways suited to the community; suited to the situation; suited to the facts at hand.

Mr. WYLIE. Will you explore the possibilities of privatization in your community based on her testimony?

Mr. MAFFIN. Pardon me, sir? I'm sorry.

Mr. WYLIE. Will you explore the possibilities of privatization in your own community, based on her testimony?

Mr. MAFFIN. Well, Washington happens to be my personal community and, yes, I would be happy to explore privatization of some housing in this community as, I'm sure, most anyone else would.

Let me simply—

Mr. WYLIE. Oh, I understand. You're not from Denver; you're filling in for the person who was supposed to testify.

Mr. MAFFIN. Yes, and as a matter of fact I can say to you in the case of Denver, the Denver Housing Authority is working with the private sector in developing homeownership opportunities for new and rehabilitated housing in the city of Denver.

Mr. WYLIE. OK. Thank you very much.

Chairman GONZALEZ. Ms. Oakar?

Ms. OAKAR. Mr. Chairman, I have no questions Mr. Maffin, but I certainly appreciated your testimony. I think it's very, very important.

Chairman GONZALEZ. Thank you.

Mr. Bartlett?

Mr. BARTLETT. Thank you, Mr. Chairman, and Mr. Maffin.

I do have some questions and some comments. First of all, I appreciate the kind words you had to say about Jack Herrington of Dallas. I concur with you. He is one of the premier changers and reformers and non-status-quo managers of public housing in the country.

I also concur that I generally find that public housing authorities, both the managers involved—the professionals and the directors and the trustees around this country—are doing a good job with limited resources, oftentimes with both hands and at least one

leg tied behind their back, oftentimes by laws that Congress passes, as well as by Federal regulations.

I find that oftentimes your managers and your board members are the leading advocates of reform of public housing, not of the status quo, and that message sometimes has difficulty filtering up to Congress.

Let me ask a couple of questions. I read Mr. Ratzlaff's testimony from Denver—and I suppose maybe I skimmed it too fast—and then I heard you make one statement that you seem to have just inserted in which you said the words, "We support H.R. 1." Does that mean in it's present form and who is "we"? Is NAHRO taking a vote on H.R. 1 the way it is? Do you advocate reform at all or do you just want to continue to do what we're doing?

Mr. MAFFIN. When I say "we" I speak for NAHRO instead of Mr. Ratzlaff who would have been speaking of NAHRO had he been here. The "we" is the collective "we" of the association.

H.R. 1 we find, in many respects, embodies the proposals that we are talking about—in PFS area, for example, where we talk about occupancy standards.

So there are many elements, particularly in the operating subsidy area, in the modernization area, that we find commendable in H.R. 1, as well as the continuation of several of the programs like section 8, retaining the current administrative fee, and so forth.

I think Ms. Gray, for example, was absolutely correct in talking about the need for services. Whether they have a tenant management organization or whether you have a tenant ownership program or whether you have conventional management, there is a need to provide social services as well as a number of managerial services. As a matter of fact, the section 8 administrative fee is set at a level which allows PHA's to provide that full Section 8 Program. That's why we support its continuance at current levels.

Mr. BARTLETT. Mr. Maffin, do you then believe that there are improvements that we could make in H.R. 1? Has the board of directors taken a look at H.R. 1 and supported it in its present form or do you support just many of the concepts. I'm trying to identify.

Mr. MAFFIN. We support some of the particulars, many of the concepts, but I think you'll find in our testimony that there are some additional modifications we would suggest and careful reading would indicate what those are. We're prepared to provide a detailed analysis—section by section—of H.R. 1.

[The analysis referred to by Mr. Maffin follows:]

NATIONAL ASSOCIATION OF HOUSING AND DEVELOPMENT OFFICIALS

ANALYSIS OF TITLES I, II, III(D), IV AND V

OR

H.R.-HOUSING ACT OF 1965

(INTRODUCED BY HENRY B. GONZALEZ, CHAIRMAN,
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
U.S. HOUSE OF REPRESENTATIVES, JANUARY 3, 1965.)

A WARD STAFF ANALYSIS BASED ON WARD'S

ESTATE PRINCIPALS AND POLICY POSITIONS

APRIL, 1966

NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS
ANALYSIS OF TITLES I, II, III(D), IV AND V

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GENERAL STATEMENT BY MIHO ON HR. 1

As the following section-by-section analysis indicates, MIHO strongly supports the findings, basic purposes, authorizations, and proposed amendments contained in HR. 1. In particular, the Association believes that the proposed authorization levels for housing assistance are fully justified by the increased needs and to restore some of the deep cuts made since 1981. In no event, should the authorization levels be less than the FY 1985 levels. MIHO also strongly supports the proposed amendments to the Performance Funding System (PFS) and the Comprehensive Improvement Program (CIP) in public housing. MIHO supports HR. 1 in its recognition of the needs of homeless persons.

NATIONAL ASSOCIATION OF HOUSING AND DEVELOPMENT OFFICIALS
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<u>TITLE I -</u> <u>COMMUNITY AND NEIGHBORHOOD DEVELOPMENT</u>		
Section 1 -		
Section 2 -	<p><u>Findings and Purposes</u></p> <p>States the leading role of the federal government in housing for the past 30 years; cites the reversal of policies since 1941; notes the severe housing need, including homelessness; warns that housing crisis will deepen unless action is taken.</p> <p><u>Declares as the purpose of the Act -</u></p> <p>to reaffirm the national housing program as essential to national welfare; to make federal housing more equitable for less affluent; to increase assistance for the homeless.</p> <p><u>Congressional Review of HUD Regulations</u></p> <p>Strengthens the current review process by requiring each HUD or Feds notice or handbook to be transmitted to the Congress not less than 15 days before issuance of the regulation. Changes required by the Office of Management and Budget (Section 7(o) of the 1965 Housing and Community Development Act and Section 534 of the Housing Act of 1949).</p>	<p>MANHO strongly agrees with the basic findings, and supports the purposes of HR. 1.</p>
<u>SECTION 3 -</u>	<p>- strengthens congressional review process.</p>	<p>MANHO: Supports strengthened congressional review to insure that congressional intent in legislation is carried out.</p>

SECTION AND CONTENT

TITLE I-

Section 101

HOUSING ASSISTANCE
Sets appropriate budget authority for FY 1968 and provides authority for assisted housing and for housing development grants (includes Sections 9(c) and 17(a) of the 1957 U.S. Housing Act). (See appropriate summary sheet for detailed figures).

Section 102

(a) Public Housing Economic Ceiling Rule.
Authorizes a PMA with the approval of HUD to set a ceiling rule (not a loan) based on the average monthly amount of debt service and operating costs in the PMA's program. (Section 2(a) of the 1957 U.S. Housing Act.)

(b) Provision for an Income Adjustment of 10 Percent for "Working Families" to determine eligibility for assisted housing.
(Section 2(b)(5) of the 1957 U.S. Housing Act)

HOUSING ASSISTANCE

1002: Believes that the proposed provision levels are fully justified in the light of the economic conditions and the need for housing. There has been no serious cost since 1957. See 1002 issue and position papers on rental housing for low income persons. Authorization should be no less than FY 1968 level.

1002: Supports ceiling rule, but provides that such rule be authorized up to the point of setting air conditioning rule is important in achieving cross-section of income occupancy within the eligibility range.

1002: Supports provision. It will authorize authorization for "working families" to assisted housing. Implementation at local level not clear. How will "working family" document its eligibility?

EXPLANATION

- Higher levels should be set for assisted housing program for 1968. Federal share be cut down to about current level. FY 1968 level for assisted housing was \$10.7 billion.

- Public housing rents may be scaled upward to the point where full economic rent (with service and operating costs) is realized.

- "Working Families" are identified as those families with security contributions (pay taxes imposed under Chapter 2 or 21 of the Internal Revenue Code of 1954.)

AMENDMENTS TO TITLE 48
SECTION 481

SECTION 481 - 15 YEAR CONTRACTS

Section 103 -

Section 8 - 15 Year Contracts

Requires that Section 8 existing housing contracts be for a term of 15 years.

(Section 8(b)(1) of the 1937 U.S. Housing Act)

Section 104(a)

New Construction - Public Housing

Eliminates requirement added in 1953 Act that the cost of new construction shall be less than cost of acquisition or rehabilitation.

(Section 6(b) of the 1937 U.S. Housing Act)

(b)

Rehabilitation and Disposition of Public Housing

Requires HUD to add additional public housing to replace units disposed of or demolished.

(Section 10(b) of 1937 U.S. Housing Act)

ISSUE POSITION

ISSUE: Supports provision. 15-year term provides program stability and continuity - it is also essential in providing funds financing same discrete component of Section 8 existing housing.

ISSUE: Supports elimination of requirement for construction of public housing units in facilities comparable to existing properties are not available.

ISSUE: Supports provision. Limited public housing inventory should not be reduced. It should be made clear that this provision also applies to units sold to residents.

EXPLANATION

- States congressional intent that Section 8 contracts be for the full term of 15 years.

- Restriction refers needed new construction.

- The number of available public housing units should not have a net reduction in any locality.

ANALYSIS OF HR. 1.
SECTION 14

SECTION AND CONTENT

Section 146 - CIAP Program - Public Housing

- (a) Adds as a purpose of CIAP program -- to maintain marketability and long-term viability of existing public housing (Section 14(a))
- (b) Requires HUD to administer CIAP assistance under State assistance contracts effective on June 1, 1984. Also requires HUD to issue regulations and allocate new CIAP funding provided in HR. 1 within 6 months (Section 14 (j))
- (c) Requires that HUD submit an annual report on the allocation, distribution and use of CIAP funds. Also, requires a report within 6 months evaluating CIAP, estimating need, establishing replacement reserve. (Section 14(k))
(Section 14 of 1937 U.S. Housing Act)

EXPLANATION

- CIAP should help sustain quality of public housing stock for the long term -- not for short-term "fix-up."

- CIAP should meet quality standards for public housing. New funding should be released expeditiously.

- The Congress intends to review CIAP progress, and public housing modernization requirements.

ISSUE POSITION

ISSUE: Supports amendments. Public housing should be preserved for long-term use.

ISSUE: Supports both provisions.

ISSUE: Supports reporting requirements. Current HUD study of modernization needs should be expedited to give a firm base for future requirements. HUD should support a "replacement reserve fund."

SECTION AND CURRENT

EXPLANATION

NUMBER PROVISION

Section 106 - Section 202 Housing

(a) New Loan Authority for FY 1986 -- \$1.25 billion. (Section 202(e))

- Supports 27,600 new units; FY 1986 level was 12,000 units.

(b) Mandatory Meals: Prohibits mandatory meal provision in the future, and provides for transition from current meal provision. (Section 202(a))

- Meal Service should not be mandatory for all residents.

(Section 202 of the Housing Act of 1968)

Section 107 -

Congregate Housing Services

Authorizes \$10 million for FY 1986.

- Current demonstrations should be continued.

(Section 411(g) of the Congressional Housing Services Act of 1978).

Section 108 -

Section 235 Home Ownership

Authorizes additional contract authority (\$30 million) and budget authority (\$300 million) for FY 1986.

- Supports 10,000 new units; FY 1984 Second Supplemental Appropriations Act funded \$100 million.

(Section 235(b) of the National Housing Act)

(MIME), supports new authorization for FY 1986 Home Ownership; should be no less than FY 1984 appropriation level.

(MIME), Proposed level is justified by HOME authorization should be no less than FY 1986 level.

(MIME), supports amendment.

(MIME), supports new authorization to continue demonstrations, until evaluation is completed, and the Congress determines the future of the program.

ANALYSIS OF HB. 11
11/15/76

SECTION AND CONTENT

EXPLANATION

ISSUE POSITION

Section 109 -

Rental Housing Development Grants

Amends statute to require that rents specified for lower income families shall be compiled with until the owner repays federal assistance, or the 20 year period expires. Also, rents required shall be the same as for all lower-income families in assisted housing.

- Lower-income rents and occupancy requirements shall be maintained while owner's assistance is in effect. Rents charged shall be the same as those for all assisted housing.

ISSUE: Supports provisions of assisting program consistency.

(Section 17(d) of the 1937 U.S. Housing Act).

Section 110-

Operating Assistance - Public Housing

(a) Amends the current performance funding system (PFS) in the statute to adopt system in effect on Nov. 30, 1983, and requires consultation with public housing agencies and their associations prior to each fiscal year. PFS shall remain in effect for each fiscal year without change.

- Would continue and stabilize PFS in each fiscal year.

ISSUE: Supports the continuation and refinement of the PFS system. PFS is proven workable, and with some amendments can meet the needs of all PHAs. PFS is directly related to actual operating experience.

(Section 9(c) of 1937 U.S. Housing Act).

ANALYSIS OF HB 11
SECTION 37A

SECTION AND CONTENT

(e) - Makes the following PFS modifications:

- requires annual adjustments between estimated and actual inflation rates
- provides that PHAs share equally with HUD any cost change in energy rates or consumption levels due to increased operating efficiencies or other actions.
- funds received by PHAs (other than tenant contributions to rent, income earned on such contributions, amounts received covered through litigation) shall not be counted as income in computing the allowable subsidy, nor prior receipts affect the allowable expense level.
- PFS payments may be readily made only if sufficient funds are not available; excess funds shall be used in next fiscal year.
- A formal review process shall be established providing increases in a PHA's allowable expense level to correct inequities and abnormalities in the base year, to reflect changes in operating circumstances, and to reflect changes in costs in economically-distressed communities.

EXPLANATION

Estimates often differ from actual inflation rates.

HUD and PHAs should both share cost improvements.

Provides incentive for good management and opportunity to increase operating income.

Estimates of required operating costs are difficult to estimate in advance on a national basis. PHAs require assurance of adequate funding to plan effectively.

PFS does not affect all PHAs equally because their "base year" status when PFS was initiated, and on circumstances particular to a local community's program.

HBNO POSITION

HBNO: Supports inflation adjustments based on actual rates.

HBNO: Supports sharing provision as it applies to changes in consumption.

HBNO: Supports provision as an incentive to good management.

HBNO: Supports provision, PFS should be fully funded on best estimate if excess funds are available, based on actual fiscal year experience, they can be applied to the next fiscal year.

HBNO: Supports a formal "review" process, to insure equity for all PHAs.

SECTION AND CONTENT

EXPLANATION

BOARD POSITION

- PHAs shall be reimbursed for costs beyond their control to the full extent they were not considered in the original distribution of funds.
- PHAs with occupancy rates less than 95 percent shall prepare and follow a plan (up to 5 years) to reduce vacancies; HUD shall provide reauthorization funds; occupancy rates may be reduced after plan period has expired, if occupancy rate is not increased.
- PHAs are authorized to incur reasonable operating reserves similar to privately-owned rental property.
- Estimates of rental income for the next fiscal year shall be based on the average rent; income in excess of estimated revenue may not be recaptured, used, or computed to reduce PHA assistance unless it was unreasonable according to standards in effect when estimate was made or fraudulent or deceptive.

Unanticipated costs beyond the control of PHAs should be reimbursed.

Sets the standard for allowable rent; and provides an opportunity to reduce vacancies before reduction of operating assistance.

All privately-owned rental property has an adequate operating reserve.

Incentive for good management performance, re: Maximum rent collection.

PHAs: Supports provision. It should HUD include unanticipated changes in income projection.

PHAs: Supports provision as a practical way to minimize housing units for occupancy, while addressing problems.

PHAs: Supports operating reserves that HUD or PHAs should establish. PHAs should be provided to keep reserves at this level.

PHAs: Supports provision as an incentive to PHAs to achieve maximum rent collection.

SECTION AND CONTENT

EXPLANATION

MANU POSITION

- (b) Authorization - Operating Assistance
Authorizes \$1.4 billion for FY 1968.
- (c) Assistance payments shall commence not later than the first month of the fiscal year and be paid in equal monthly installments.
(Section 9(e) of 1937 U.S. Housing Act - New Sub-section)

Provides adequate operating assistance in a timely manner.

MANU: Supports \$1.4 billion authorization; any unused authority is carried over into next fiscal year.
MANU: Best not subject to provision.

Section 111 -

Income Eligibility - ASSISTED HOUSING

Deletes Section 16 of 1937 Act, adopted in 1961 which restricts eligibility in public housing under Section 8 for households with incomes between 50% and 80% of median income to those under contract of lease, and 5% of new contracts or leases after the 1961 Act.
(Section 16 of 1937 U.S. Housing Act).

Current statutory provision is inapplicable to lower income families (particularly working class); it also administers timely credits and commitments.

MANU: Supports deletion of Section 16; it is inapplicable and administratively unworkable. A credit program is being developed to meet the eligibility requirements essential to fiscal and social stability.

ANALYSIS OF MR. 1:
MEMO-4/75

SECTION AND CONTENT

- PHAs shall be reimbursed for costs beyond their control to the full extent they were not considered in the original distribution of funds.
- PHAs with occupancy rates less than 95 percent shall prepare and follow a plan (up to 5 years) to reduce vacancies; NHO shall provide modernization funds; operating assistance may be reduced after plan is approved; if occupancy rate is not increased.
- PHAs are authorized to maintain reasonable operating reserves, similar to privately-owned rental property.
- Estimates of rental income for the next fiscal year shall be based on the average rent. Income in excess of estimated revenue may be considered, used, or committed to reduce PHA assistance unless it was sonable according to regulations in effect when estimate was made or resultant or deceptive.

(Section 9(s) of 1967 of U.S. Housing Act)

EXPLANATION

Unanticipated costs beyond the control of PHAs should be reimbursed.

Set the standard for allowable rate; and provides an opportunity to reduce vacancies before reduction of operating assistance.

All privately-owned rental property has an adequate operating reserve.

Incentive for good management performance, re: Maximum rent collection.

MEMO POSITION

MEMO: Supports provision. It should also include unanticipated changes in income projection.

MEMO: Supports provision as a practical way to maintain housing units for occupancy, while addressing problems.

MEMO: Supports operating reserves at a level of 20% of a PHAs annual operating budget. Operating assistance should be provided to keep reserves at this level.

MEMO: Supports provision as an incentive to PHA to achieve maximum rent collection.

ANALYSIS OF HR. 11:

10400-778

SECTION AND CONTENT

Section 114 -

Voucher Administration

Requires that percentage of assistance retained by PHAs for administrative expenses shall be the same in the voucher administration as for Section 8 existing housing.

(Section 8(e) of 1937 U.S. Housing Act)

Requires HUD to submit a report to the Congress concerning the amount of assistance under vouchers and Section 8 existing certificates. Details the content of the report.

(Section 8(f) of 1937 U.S. Housing Act).

Annual Report - Assisted Housing

Requires HUD to include in its annual report detailed data on the characteristics of families in assisted housing.

(Section 8 of the 1965 Housing and Urban Development Act).

EXPLANATION

Provisions should be consistent.

HOUSE POSITION

Page 11 of 20

HOUSE: Supports provision. Also, administrative fee in Section 8 existing should not be reduced.

HOUSE: Supports report requirement.

HOUSE: Supports report concept. However, suggests that the original report be done on a biennial basis on assisted housing. Similar to the one required on an annual basis for HUD's community development program. Data should go beyond family characteristics.

Data is not now available on a regular, published basis.

ANALYSIS OF H.R. 1:
1000-1705

SECTION AND CONTENT

Section 1164 -

Public Housing Performance Report
2-years following adoption of voluntary professional performance standards by the public housing profession, HUD shall submit to the Congress a report including a description of a compliance system.
(No statutory citation.)

EXPLANATION

Performance standards should assure efficient, well-managed PHAs, and simplify PFS and CIAP assistance processes.

ISSUE POSITION

ISSUE: Supports the provision -- a performance management evaluation and improvement system developed by the public housing profession.

TITLE II -

Section 201 -

Rural Housing
Establishes program authorizations for all rural housing programs for FY 1986; retains program authority.

Feder Programs are continued at a level of 108,000 new housing units.

ISSUE: Supports Feder authorization as justified by documented need. Authorization for FY 1986 shall be no less than FY 1985 level of \$2.2 billion and 74,720 housing units.

Section 202 -

Rural Housing Preservation Grants
Requires Dept. of Agriculture to issue regulations implementing rural preservation grants (adopted in 1983) within 90 days following passage of 1985 Act, or appear before congressional committees to explain lack of compliance.
(Section 533 (h) of the Housing Act of 1949.)

1983 ACT Program has not been implemented.

ISSUE: Supports Provision. Rural preservation grants should be implemented.

ANALYSIS OF HR. 11:
HR. 11-78

SECTION AND COMMENT

TITLE III -

Program Amendments and
Extension - FY 1965 and
Section 312(a) - Secretary
of Labor - Title 5, U.S.C.
(Parts A-C)

HR. ANALYZED.

Part D - Reauthorization and
Other Provisions

Authorization - Urban
Housing

516 million is authorized
for FY 1966.

(Section 312(b) of 1974
HUD Act.)

Extension - Section 312
1964

Authority is extended
through FY 1966.

(Section 312(h) of 1964
Housing Act)

Authorization -
Urban Housing Investment
Corporation

Authorization is \$15,512,000
for FY 1966.

(Section 604(a) of the
1974 Neighborhood Reinv-
estment Corporation Act).

EXPLANATION

MAJOR POSITION

Section 311 -

FY 1966 level was \$12 million.

MAJOR: Authorization should be
no less than FY 1965 level.

Section 312 -

No dollar authorization;
funding through loan repay-
ments.

MAJOR: Supports continuation of
Section 312 as a permanent
program; no additional funding requested.

Section 313 -

Same level as FY 1965.

MAJOR: Supports authorization.

ANALYSIS OF HR. 1, H.R. 775	Page 10 of 20					
SECTION AND COMMENT	EXPLANATION	EXPLANATION	EXPLANATION	EXPLANATION	EXPLANATION	EXPLANATION
Section 334 - <u>Authorization - Solar Energy and Energy Conservation Bank</u>	FY 1965 level was \$15 million.	FY 1965 level was \$15 million.	FY 1965 level was \$15 million.	FY 1965 level was \$15 million.	FY 1965 level was \$15 million.	FY 1965 level was \$15 million.
Section 335 - <u>Authorization - Housing Counseling</u>	34 million is authorized for FY 1965	34 million is authorized for FY 1965	34 million is authorized for FY 1965	34 million is authorized for FY 1965	34 million is authorized for FY 1965	34 million is authorized for FY 1965
Section 336 - <u>Amendment - Home Mortgage Interest Deduction</u> (Not Analyzed)	---	---	---	---	---	---
Section 337 - <u>Authorization - Energy Conservation in Existing Buildings Act of 1975</u>	330 million is authorized for FY 1965.	330 million is authorized for FY 1965.	330 million is authorized for FY 1965.	330 million is authorized for FY 1965.	330 million is authorized for FY 1965.	330 million is authorized for FY 1965.

ANALYSIS OF HR. 1:
WIND-7/8

SECTION AND CONTENT

Section 328 -

Authorization - MD
Research

\$20 million is authorized for FY 1986.

(Section 501 of 1970 MD Act).

EXPLANATION

FY 1986 level was \$16.9 million.

MAJOR POSITION

MAJOR: Supports \$20 million, base of inflation in ongoing MD Data programs (American Housing Survey). MD research and priorities are not adequate. MD's entire program reporting system, research priorities, and funding need to be evaluated by the Congress.

Section 329 -

Calculation of CDBG
Small Cities Programs

Provides that median income shall be calculated as the higher of: median income of the county in which it is located, or the median income of all in entitlement, nonmetropolitan, and rural areas in the state.

(No statutory citation.)

Current statute defines low and moderate income as the higher of 80 percent of median income on a county-by-county basis, or 80 percent of nationwide median income of renters.

MAJOR: No position.

ANALYSIS OF HR. 1:
1988-7/85

SECTION AND CONTENT

Section 340 -

Authorization for the Construction of the Homeless and Displaced Persons Emergency Shelter Administration Program

\$10 million is authorized for FY 1988.

(Section 1224(g) of the 1974 HUD Act).

TITLE IV -

Shelter Assistance for the Homeless and Displaced

PART A Emergency Shelter

\$200 million is authorized for FY 1988. Specifies uses for emergency food distribution and shelter, including the maintenance and rehabilitation of structures to provide basic shelter.

(1984 Second Supplemental Appropriations Act).

Section 401 -

\$110 million was authorized in FY 1984 second supplemental Appropriations Act.

MAWD: Supports authorization at no less than \$110 million level.

EXPLANATION

FY 1985 level was \$2 million as a set-aside of CDBG discretionary funds.

MAWD: Supports emergency authorization at no less than FY 1985 level.

MAWD POSITION

ANALYSIS OF HR. 1:
HOURS-785

SECTION AND CONTENT
Part B -

Second Stage Housing
For Homeless and Disabled

Authorizes 100 million in public funds to conduct a demonstration program, providing non-interest bearing advances and annual payments covering 80 percent of operating costs to non-profit organizations to provide services and support services. Advances need not be paid back if structure is used for specified purposes for 10 years. Reports to the Congress are specified.

(No statutory citation).

EXPLANATION

Responds to documented need for assistance to homeless persons.

AMBO. AMBO supports provision, which authorizes \$100 million for second stage public housing.

SECTION AND CONTENT

TITLE V -

Mehemiah Housing Opportunity Grants

Authorizes \$300 million to be placed in revolving fund in the Treasury of the United States known as the Mehemiah Housing Opportunity Grant Fund. The Secretary is authorized to use this fund to provide grant assistance to qualifying non-profit organizations. Such organizations shall utilize this assistance to create or public funds to provide loans to families purchasing homes constructed or rehabilitated to approved standards. Family income cannot exceed the area median income for a family of four persons, or the national median income, whichever is higher. Local programs must include at least 50, one-to-four family structures and be concentrated in a single neighborhood. The maximum assistance may not exceed \$15,000 per home. Each loan shall be secured by a non-interest bearing second mortgage held by the Secretary of HUD.

EXPLANATION

Based on experience of "Mehemiah" fund in New York City.

MHARD POSITION

MHARD: MHARD supports the Title as a way to bring home ownership to lower income households, but with the following changes:

1. The recipient may be a non-profit organization or a local public agency.
2. A requirement should be added that the project be consistent with the local housing assistance plan or the equivalent if there is no HAP.
3. Family need should be based on area median income for one person, not on family income, and not national median income.
4. Reconsider the requirement that 75% of the units must be on contiguous property.

In addition to the above modifications of the bill, there are a number of provisions which should be clarified in report language and/or regulations. Some of these are

1. Insure underwriting requirements for first mortgage are not overly restrictive but provide for ability to maintain the unit property.
2. Requi... counseling and technical assistance for proposed homeowner.
3. Clarify property standards.
4. Indicate financial and other standards to be met by eligible recipients.
5. Define length of loan.
6. Give criteria for selection and ranking of applications.
7. Give preference to neighborhood residents.

PROGRAM	FY 63 APPROPRIATIONS		FY 66 PROPOSED		DIFFERENCE
	MR. 1	MR. 1	MR. 1	MR. 1	
AGRICULTURAL ASSISTANCE					
Public Housing	9,000	19,000	9,000	19,000	0
New Construction	4,000	14,000	4,000	14,000	0
Operating	0	0	0	0	0
Subtotal	13,000	33,000	13,000	33,000	0
Emergency Shelter	27,000	27,000	27,000	27,000	0
Emergency Shelter Program	27,000	27,000	27,000	27,000	0
Operating	0	0	0	0	0
Subtotal	54,000	54,000	54,000	54,000	0
GENERAL ASSISTANCE					
Public Housing	20,000	16,000	20,000	16,000	4,000
New Construction	0	0	0	0	0
Operating	0	0	0	0	0
Subtotal	20,000	16,000	20,000	16,000	4,000
EMERGENCY SHELTER					
Emergency Shelter	100,000	174,000	100,000	174,000	74,000
Emergency Shelter Program	100,000	174,000	100,000	174,000	74,000
Operating	0	0	0	0	0
Subtotal	200,000	348,000	200,000	348,000	148,000
EMERGENCY SHELTER - AMEND, ETC.					
Emergency Shelter	0	0	0	0	0
Emergency Shelter Program	0	0	0	0	0
Operating	0	0	0	0	0
Subtotal	0	0	0	0	0
EMERGENCY SHELTER - AMEND, ETC. - TOTAL	100,000	174,000	100,000	174,000	74,000
AGRICULTURAL ASSISTANCE - TOTAL	13,000	33,000	13,000	33,000	0
EMERGENCY SHELTER - TOTAL	200,000	348,000	200,000	348,000	148,000
EMERGENCY SHELTER - AMEND, ETC. - TOTAL	0	0	0	0	0
AGRICULTURAL ASSISTANCE - TOTAL	13,000	33,000	13,000	33,000	0
EMERGENCY SHELTER - TOTAL	200,000	348,000	200,000	348,000	148,000
EMERGENCY SHELTER - AMEND, ETC. - TOTAL	0	0	0	0	0
AGRICULTURAL ASSISTANCE - TOTAL	13,000	33,000	13,000	33,000	0
EMERGENCY SHELTER - TOTAL	200,000	348,000	200,000	348,000	148,000
EMERGENCY SHELTER - AMEND, ETC. - TOTAL	0	0	0	0	0

SUMMARY TABLE - HOUSING PROGRAM COMPARISON: FY '85 APPROPRIATIONS, MR. 1, AND HUD PROPOSED NEW BUDGET AUTHORITY FOR FY '86 Page 20 of 20

PROGRAM (CONTINUED) FY '85 APPROPRIATIONS FY '85, M.R. 1. FY '86, MR. BUDGET

Additional Assisted Units	UNITS	D.A.	UNITS	D.A.	UNITS	D.A.
MISCELLANEOUS						
Urban HomeLending	---	\$12,000,000	---	\$19,000,000	---	\$12,000,000
Comprehensive Services	---	4,164,000	---	10,000,000	---	0
HUD Research	---	16,000,000	---	29,000,000	---	19,000,000
Seller Bank	---	15,000,000	---	14,000,000	---	0
Neighborhood Dev. Dem.	---	15,512,000	---	15,512,000	---	14,600,000
Neighborhood Development Corp.	---	3,500,000	---	6,500,000	---	0
Housing Consulting Assistance	---	191,000,000	---	200,000,000	---	195,000,000
HomeStart Program	---	200,000,000	---	200,000,000	---	200,000,000
Subtotal						
	71,730	2,000,000,000	90,000	2,650,000,000	---	2,279,570,000
Emergency Loans	1,500	200,750,000	10,000	10,000,000	---	0
Support Programs	71,730	2,001,750,000	100,000	2,660,000,000	---	2,279,570,000
Subtotal						
	174,730	\$14,230,613,500	200,000	\$22,294,250,000	(14,000)	\$3,254,730,000
GRAND TOTAL OF ALL PROGRAMS						

- a) 3,500 vouchers have been set aside for tenant displacements from Section 8 opt-outs and property disposition to be funded from carryover from FY '85.
- b) \$49 million in new budget authority and \$92 million in carryover from FY '85 gives a total of \$1.39 billion to fund 14,500 non-incremental units for conversions and loan management.
- c) HUDAS funded 14,462 units with \$269 million in budget authority from FY 1984 appropriations.
- d) \$175 million for emergency modernization needs only to be funded from carryovers.
- e) Sec. 226 program funded in FY '84 and Appropriations Bill.
- f) FEMA emergency shelter program funded for \$110 million in FY '84 appropriations.
- g) HUD provides \$11,700 million in total assistance figures \$10,750 billion as shown in the FY '86 President's budget and \$950 million in carryover from FY '85. HUD also provides \$11,700 million in carryover from FY '85. HUD also provides \$11,700 million in carryover from FY '85. HUD also provides \$11,700 million in carryover from FY '85.
- h) No new budget authority proposed funding from carryover from all emergency adjustments.
- i) Amount of budget authority estimated to generate \$4.05 billion in rental assistance loans.
- j) FY '86 budget authority figures supports a \$30 million loan program level and a \$60 million rental assistance program level. A reduction of more than \$2 billion for the estimated 1986-1990 period. Because the loan program level is \$37.2 billion less than 1985 there is a corresponding decrease in the Capital Investment account of the Rural Housing Insurance Fund resulting in an increase in the budget authority necessary to balance the fund accounts.
- k) Estimated 7.0 units for the housing preservation grants program under Sec. 532.

Mr. BARTLETT. I've worked with you and with many in your organization to try and define some ways to improve housing in this country. I notice on page 23, NAHRO's funding recommendations, particularly in the area of assisted housing, \$9 billion with 100,000 incremental units. I don't have the comparison sheet as far as the budget levels but those number of units—correct me—that looks like a freeze at fiscal year 1985 levels; is that right, or is it something other than a freeze?

Mr. MAFFIN. Essentially correct, yes. The 100,000 is the same level that we were talking about in 1985. So it's essentially a freeze level.

Mr. BARTLETT. So as far as incremental units you essentially support a freeze of subsidized housing?

Mr. MAFFIN. Yes.

Mr. BARTLETT. OK.

Mr. MAFFIN. I must say, Mr. Bartlett, that's in sharp contrast with what we understand the budget to indicate which is not new.

Mr. BARTLETT. It's in rather sharper contrast with H.R. 1 in addition, Mr. Maffin.

Let me ask you your opinion on several of the reform issues, some of which are contained in present legislation and some of which may be able to be added to get our reaction.

For example, you've talked about the cap on the maximum rent. Would you support the concept—and I know many of your members did and perhaps your organization did in the last session—to couple that with a minimum rent after a certain number of years to where a tenant would have the assurance that at some point in the future for a nondisabled, nonelderly tenant that the public housing authority would be able—as they did in years past—to charge a minimum rent in addition to putting a maximum on it?

Mr. MAFFIN. Let me deal with both the ceiling—

Mr. BARTLETT. By the way, that's assuming that the public housing authority would be able to keep the money?

Mr. MAFFIN. Yes; there are many caveats that may attach to that but, certainly, let me deal with both the minimum and the maximum rent.

On the maximum rent side, we support a ceiling rent. We support it with a 3-year limitation and we support it to the extent that—and we may differ somewhat from Congressman Molinari—we believe that there should be some more flexibility in how the local agency goes about the setting of that ceiling rent but in no event should it exceed the fair market rents for that area. So that's our position on ceiling rents.

Mr. BARTLETT. So you generally support a transition kind of rent so when someone gets a job they transition up as opposed to a sudden stop?

Mr. MAFFIN. Yes.

Mr. BARTLETT. I concur with you, by the way.

Mr. MAFFIN. Second, on the minimum rent side—we support a minimum rent for welfare residents, that is, residents of public housing on welfare. And the minimum rent should be, in our judgment, that part in the welfare payment which is allocated for rent

or, in the flat grant system, that amount that is calculated into flat grant for rent.

Mr. BARTLETT. OK. That's fair. Maybe we can do something with that.

Do you support, also—do you find it to be a particular problem when with modernization assuming, which I believe we will—we'll be able to get modernization money into the authorization of the appropriation—do you see ways to give HUD additional authority and mandate to provide waivers and comprehensive waivers for rehabilitation to take the shackles off of housing authorities when they're attempting to modernize or to rehab, or do you see that as a national problem or is it, perhaps, just a local problem?

Mr. MAFFIN. Well, let me indicate generally, Congressman Bartlett, where we stand on this. It's been over a year now since NAHRO submitted a report—I believe it was to Assistant Secretary Lindquist—on ways in which local authority could certify, proclaim, or otherwise attest to the fact that they are following all the relevant laws and regulations. So it's within the spirit of what we then called a proclaimer system. Incidentally, that has not been acted on by the administration.

It was an attempt to try to—within both specific and general laws relating to housing—enable public housing authorities to respond more fully and effectively to the opportunities they have, including CIAP.

The answer, generally, is yes, to your question.

Mr. BARTLETT. You do perceive a need then to produce the regulations or to give housing authorities much more flexibility in their renovation?

Mr. MAFFIN. That is the general thrust of our whole—

Mr. BARTLETT. For example, would you support allowing rehabilitation to be done paying competitive wages as opposed to Davis-Bacon, so that you could hire more of your residents in that rehabilitation?

Mr. MAFFIN. I think NAHRO's position on that is that on eight units or less we support the market rate; above that, we prefer the application of Davis-Bacon.

Mr. BARTLETT. One other question. Do you support—my time is almost up, or maybe it's expired, and I appreciate the chairman's courtesy. Do you support vouchers or the expanded use of existing section 8 certificates or some way to move into that freedom of choice approach?

Mr. MAFFIN. You've asked me two questions. You've asked me, does NAHRO support section 8 certificates and, generally, the answer is yes. Do we support the voucher system? No; for essentially two or three reasons.

First of all, we believe the term of the commitment is too short to cause anybody in the private sector to reliably rely upon it. Second, because it is a so-called freedom of choice vehicle, it seems to me it has one of two potentials that have, I think, rather grave consequences both for the voucher holder and for the market as a whole.

No. 1, because it is an amount of money you have to shop with, you can pay above that if you wish. That is going to tend, we think,

to the extent that there is any quantity of vouchers involved, to drive up pricing of housing.

Second, if you want to pay less for housing, it's going to cause people to build up a market for substandard housing. So those are the reasons why we have problems with the vouchers.

Mr. BARTLETT. Thank you, Mr. Maffin. I know there are other members who have questions. If there's time afterwards, I may have additional questions after we go around.

Mr. MAFFIN. Fine.

Chairman GONZALEZ. We may have some members submitting questions in writing. I just wanted to make one observation, Mr. Maffin, there on minimum rents. And, of course, it's our old dilemma. That is, I can understand why particularly some of the western housing authorities where they are pressured to get rid of the very poor dependents, and HUD is squeezing them with less and less operating funds. But what we face is the reality that we'll end up with 45 percent, 50 percent of tenant income being paid for rent, for shelter, which has always been the dilemma.

I did want the record to show that.

Mr. MAFFIN. We share that concern.

Chairman GONZALEZ. Thank you.

Mr. Manton.

Mr. MANTON. This is on the issue of privatization. Kimi Gray was not exactly on the far end but she was pointing her development toward co-op ownership. On the other hand, John Simon from New York felt that he was not disposed toward that because of the long waiting list and the lack of supply.

Is there any balance there that you see? I mean, I think you said that you would be in favor of some privatization, but not a lot.

Mr. MAFFIN. We're in favor of homeownership. I think, if I may, what John Simon was saying, and I think the entire public housing industry is of a voice on this, is that so long as we have staggering waiting lists, 20 years to get into a housing unit in New York City, we have very severe problems with a proposal to convert public housing to homeownership unless it is coupled with, at the very minimum, an equal replacement of units in that community.

Mr. MANTON. I tend to agree with that. In New York, I, for one, was a great proponent of co-op and condo conversion of privately owned units. But I think what we've noticed that in the rush to convert a lot of these buildings, and to instill that pride of ownership, and the stability of the neighborhood that we all value, we've found that there are smaller amounts of available rental housing on the market. And it's causing pressure for those that don't want to buy, or who are unable to buy, but who can afford to pay rent.

Now they just can't find the accommodation. And we may have, in fact, cut too deeply into the rental stock. So it would seem to me that we perhaps ought to go a little more carefully in the public housing sector, as long as we have such waiting lists.

Mr. MAFFIN. I believe it would be fair for me to say that everybody in the public housing industry shares that point of view, Congressman. Just one final little point, if I may, building on that question or comment, Mr. Chairman. It does seem to us and others in the rental housing industry that too little attention has been paid to the absolute value for a community's housing inventory to

have a supply of decent, affordable rental housing not just for low-income people, but for the population as whole. We tend to focus an awful lot on homeownership and don't pay enough attention to the need for an adequate supply of rental housing for everyone.

Chairman GONZALEZ. Mr. Grotberg.

Mr. GROTBURG. Thank you. I was listening with some interest to the voucher/nonvoucher dialog. And throughout, we've tried vouchers and nobody died. It was not fatal. It probably won't be fatal again as HUD cranks up whatever they're going to do very shortly. Is that correct, Mr. Maffin? Is HUD about to run another model on vouchers?

Mr. MAFFIN. I think the administration proposal for fiscal 1986 is to stop the voucher program altogether.

Mr. GROTBURG. Isn't there one about to be activated that was authorized by this committee before I was elected?

Mr. MAFFIN. I think the 1984 cycle the one authorized in 1984—is about to begin. But the administration is proposing no incremental vouchers.

Mr. GROTBURG. I can't help but be amazed by the fear. And then I have to interpret that fear as turf protection and client protection, and you don't want vacancies anymore than anybody else even though you've got long waiting lists. So that I detect a fear for change in the whole system. And that bothers me a little bit.

And if the voucher program gets a fair shake and fails, that's fine. What little of it has been tested since the Ford administration has worked. And I don't know that in today's marketplace the consumer isn't a little more sophisticated than they were then.

The other question I have, or comment, Mr. Maffin, is the little testimony I've been privileged to hear and understanding full well that you're the experts in your field and you're doing an admirable job, my concern is I'd like to hear testimony in committee of how we're going to deal with the reality of today.

And the reality of today is probably that there isn't going to be any more money. H.R. 1, Mr. Chairman, as exemplary a bill as it is, doubles the tariff. And nothing is going to get doubled out of this Congress that I can think of, very realistically. Ergo the question you asked, Mr. Manton, regarding whether we should freeze the budget comes to the point. I agree with everybody, a freeze is not the way to go. You've locked in the inequities.

But if you speak for the field, Mr. Maffin, and Mr. Ratzlaff, speaks for his field, I would like to hear some creative ideas; your combined wisdom means more to me than your reaction like every other interest group who not only wants what they have but more. The reality is that cuts are necessary.

Then I have to go on to state that I am amazed to note that you even want to restore to \$165 million the Oversized Developed Countries AID Housing Program, when we can't even begin to take care of our own.

I wonder if you would like to comment on that?

Mr. MAFFIN. That's just a loan guarantee program. We're simply suggesting it be maintained at the same level. You'll notice the next paragraph talks about the year of international shelter for the homeless.

Let me say that homelessness is something that is occurring in this country in rather sharply increasing numbers. Also, it is not an unfamiliar sight in other parts of the world. It has been determined through international forums that 1987 would be a year of shelter for the homeless and their communities.

Our Government has chosen not to support essentially the idea of focusing attention on the shelter for the homeless, wherever it may be needed. As a matter of fact, the administration is opposed to discussing that subject. We simply wanted to make that one point to illustrate the breadth of the attack on the public involvement in housing being waged by this administration.

Now as to your first comment about fear, I regret if I imparted the feeling that Mr. Ratzlaff and the people whom he represents, the people whom I serve, have any great fear for change. I think, if you'll look back over the record of our association over the past 50 years, it is pretty clear that we have been advocates of substantial change. We advocated diversity of programs through the turnkey operations. We advocated diversity of the program through sections 23, 235, 236, 608, going way back.

Today where we stand—and I guess the one point I was really trying to make—is that these programs are very diverse. They have the capacity to serve all kinds of needs without any necessarily saying, "This system is good." "This system is bad." They all have a purpose to serve.

Our problem is that what is being recommended: Let' have no more of them.

Because it is our opinion, and I think the data supports it, that there is an increase in homelessness. There's an increase in poverty. There's an increase in substandardcy in this country, and our business is to reduce these things, not see them increase. And that's why, if we came off seeming defensive or fearful about turf, let there be no mistake about it. We are not defensive or fearful about turf. We just want to keep this country moving.

Chairman GONZALEZ. Thank you very much. Thank you, Mr. Maffin, indeed, once again, for your help and continued support.

Our next panel, Mr. Brown Nicholson, Jr., the vice president for legislation, Public Housing Authorities Directors Association, and executive director of the Columbus, GA, Housing Authority; Mr. George James, executive director of the Cuyahoga Metropolitan Housing Authority, Cleveland, OH, representing the Council of Large Public Housing Authorities; and Mr. Wayne Chico, chairman of the National American Indian Housing Council.

Gentlemen, thank you very much for being with us. We are going to be facing a little problem, perhaps an interruption. The House will go into session at 12 noon, and there may be a recorded vote. But what we'll do then is just recess temporarily while we record our votes and come back immediately.

Is any of the witnesses under some time pressure or constraint? Has to catch a plane or something? Because, if there is no objection, we'll recognize him first. Mr. James?

Mr. JAMES. I am.

Chairman GONZALEZ. Well, we'll recognize you, Mr. James.

If there is no objection on the part of the other witnesses.

[No response.]

STATEMENT OF GEORGE JAMES, EXECUTIVE DIRECTOR, CUYA-HOGA METROPOLITAN HOUSING AUTHORITY, CLEVELAND, OH, REPRESENTING THE COUNCIL OF LARGE PUBLIC HOUSING AUTHORITIES

Mr. JAMES. Mr. Chairman, members of the committee and guests, thank you for this opportunity to speak to you today. We greatly appreciate the continuing support which this committee has shown to public housing, especially the concern of Representative Mary Rose Oakar, my own district, and also the committee staff, which has always been so assessible and willing to work with us.

I'd like to praise the refusal of this committee to roll over and give up in spite of this administration's repeated efforts to kill all public housing programs in a variety of ways.

Speaking on behalf of myself as well as other members of the Council of Large Public Housing Authorities, I would especially like to thank you for the provisions of this year's housing authorization bill, H.R. 1, that would, among other things, provide \$1.4 billion in operating subsidies, provide \$2.225 billion in modernization funds, keep the public housing program alive, provide a reasonable plan for operating subsidies for vacant units, which is especially important to my authority and prevent unreasonable tinkering by HUD with the performance funding system under which our operating subsidies are provided.

Your bill would also recognize that modernization funds ought to be adequate to restore public housing units to long-term viability and to standard marketability, both very important and laudable provisions.

We only wish that HUD share the insights that your committee has shown with this bill.

Mr. Chairman, CMHA manages close to 12,000 conventional public housing units, of which 9,311 are currently occupied. An additional 5,135 units of section 8 existing for households who live in private housing. Although we house over 30,000 individuals within the city of Cleveland alone, we house 3.5 percent of the city's population in our conventional program.

At the present time, we have a 20-percent vacancy rate. Why is this?

Mr. Chairman, it's not because of the lack of need of these units within our community. Indeed, we serve only a small portion of the eligible, very low income population of our area, a population that is paying higher proportions of their income for rent than ever before in the previous decades, and much higher proportions than better off elements of our population.

Public housing in Cleveland, however, like the city itself, is among the oldest in the Nation. As such, it is plagued by problems of deteriorated conditions, declining infrastructures, and the lack of local resources to meet urgent needs.

The city of Cleveland by and large has not been hit by the current economic recovery. Only 15 to 20 percent of our households in public housing currently have a working head of the household. At the mean income of our residents is only \$3,800. We know the ring of poverty in our community.

At the same time, we sense that HUD has lost any sense of mission to address the enormous housing needs of the poor in our cities, and has instead turned off efforts toward withdrawing or eliminating the very limited resources that are currently available, with an eye toward ending the program as quickly as possible.

If there is a need, you may ask, why is the number of occupied units in CMHA decreasing?

The answer lies primarily because of the long history of neglect and inadequate funding has resulted in a cycle of continuing deterioration, which leads to continuing moveouts, increasing vacancy rates, followed by further deterioration.

In addition, many of our units are simply obsolete in terms of no longer being matched with the market demand that they now need to be serving. This is particular true of our elderly units, where we have efficiency units, very small.

Is there any answer?

Yes, we think there is. And there are four parts to this answer:

Adequate Federal funding for operating subsidies and modernization, especially with an eye toward restoration of as many vacant units as feasible for occupancy.

Better housing, strategic planning and cooperating with our elected officials and local community and civic groups.

Increased resident role in the managing of our housing estates, and improved management techniques on the part of the authority.

Modernization funding needs.

Mr. Chairman, since I became executive director of CHMA, I've made a major effort to accelerate our modernization program activities. From January 1983 to January 1984, our agency spent or obligated approximately \$5 million in modernization funds. For a similar 12-month period in 1984, our agency spent or obligated approximately \$11 million in modernization funds—over twice as much for a total of over \$15 million.

Our rate of modernization expenditures will be increasing even further in 1985. Nonetheless, we are just beginning to meet the need.

We currently estimate that the average per-unit modernization need of our 11,700 units is approximately \$12,200 per unit, for a total need of \$143 million. So we still have a way to go.

Our current vacancy rate varies widely in the types of units involved, and we have done an analysis of these vacancy rates in order to guide our modernization efforts. For example, we have a 51-percent vacancy rate in our studio bedroom units. For our three- and four-bedroom units, however, where the demand is greater, the vacancy rate is only about 11 to 12 percent, in spite of the many physical problems and deterioration in these units.

So one of the major goals of our modernization program is to try to determine what to do with these very small units, whether we should do a breakthrough and convert them into larger units, or deal with them in other ways, including conversions to nonelderly occupancy.

We also need to address the problems of our aging infrastructure. For example, we have over 15 miles of underground piping that needs to be either replaced or substantially repaired or substituted for in some form.

In addition, we expressly need money for our energy conservation. This would result in an enormous savings to the authority, since over 40 percent of our current operating budget goes for heat.

Administering this program, we have a modernization staff of approximately 10 people, funded largely under the CI Program. The administration's budget proposal for fiscal year 1986 would cripple the ability to continue supporting the staff. With the massive amounts of modernization work now moving through the pipeline and the acceleration of actual work being started during 1985 and 1986, such a wipe-out of our modernization staff in 1987 would be disastrous.

Modernization is an ongoing program for us. It can't be turned off and on like a faucet, nor postponed for a few years like a UDAG grant for a hotel.

We therefore urge the Congress to approve the full amounts recommended by your committee for the continuation of the modernization program at a level of \$2.225 billion in fiscal year 1986.

We need to break the cycle of physical deterioration, social deterioration, and political neglect. Our low-income communities can be restored, and we are determined to do everything in our power to bring this about, working with the residents of our States and with our political leadership at home and in Congress.

Second, Mr. Chairman, and members of this committee, we need to do a better job of strategic planning and cooperation with our local communities. I have therefore directed that our staff begin the preparation of a 5-year strategic plan for our housing authority.

To work on this plan, I have created a Futures Committee, composed of CMHA staff members drawn from the various disciplines. The mission of this committee is to analyze the significant economic, political, and sociological forces at work at the national and local levels that will shape the destiny of the housing authority over the next few years, to project these trends so as to suggest a future profile of our housing authority and to identify the strategic options available to our agency in light of these trends and the resources that are likely to be available to us.

For example, the Futures Committee may conclude that long-term trends are manageable if CMHA improves its management style. On the other hand, the committee may suggest that declining financial resources and increasing operating expenses dictate a retrenchment in the operations of the agency and a phasing-out of these sites that are prohibitively expensive to operate.

In this planning effort, we will be working closely with major civic groups in the area, the Cleveland Roundtable, which has been asked to assist us in this planning venture.

Mr. Chairman, I have been advised that I can move along if the committee would like me to, in order to hear the rest of the members of the panel, if you so desire.

Chairman GONZALEZ. That's fine. If you wish to summarize, that's fine. We will have your prepared text entered in the record as you prepared it, but use your judgment.

Mr. JAMES. I would just like to comment on what the committee has heard this morning, particularly with reference to what's happening in Washington, DC. Our agency is involved in four or five

different initiatives, getting residents involved in the management of our agency. We have two—as a matter of fact, we hope to be working with the Washington group and help providing some training for our residents. We also have currently a program that's been in existence now for over a year, where a consultant from St. Louis is involved with some of our residents. Hopefully, these programs will be beneficial.

We are also exploring private management with community groups. In addition to that, we have a neighborhood group which is working with our State to develop some sort of management initiative.

I think that we, all in all, have provided an opportunity for our residents to become more and more involved. I think, however, that it's important for us as a housing authority to come to grips with the reality in reference to the future of operating public housing. We recognize that we cannot, without the help of this committee and the Congress, provide the decent, safe, and sanitary housing that we are all looking for. And this, of course, is our mission that we intend to carry out.

Thank you very much, Mr. Chairman.

Chairman GONZALEZ. Thank you very much, Mr. James. We appreciate your succinct statement.

[Mr. James' prepared statement, on behalf of the Council of Large Public Housing Authorities, follows:]

CLPHA

Council of Large Public Housing Authorities

TESTIMONY OF GEORGE JAMES, EXECUTIVE DIRECTOR OF THE CUYAHOGA
(CLEVELAND) METROPOLITAN HOUSING AUTHORITY (CMHA)

Before the:

Sub-Committee on Housing and Community Development of
the House Committee on Banking, Housing and Urban Affairs.

TUESDAY MARCH 5, 1985

WASHINGTON D.C.

Seven Marshall Street Boston Massachusetts 02108 (617) 742 0500
509 C Street NE Washington DC 20002 (202) 542 4900

Mr. Chairman (Rep. Gonzalez, D.-Tex.), Representatives _____
 _____ (names of those present), committee staff, and guests: my
 name is George Jones and I am the Executive Director of the Cuyahoga
Metropolitan Housing Authority (CHMA). Thank you for the opportunity
 to speak to you today. We greatly appreciate the continuing support
 which this committee has shown for public housing, especially the
 concern of Rep. Mary Rose Oaker, and also of the committee staff
 which has always been so accessible and willing to work with us.

I would like to praise the refusal of this Committee to roll over
 and give up, in spite of this Administration's repeated efforts to
 kill off the public housing program in a variety of ways. Speaking
 on behalf of myself as well as the other members of the Council of
 Large Public Housing Authorities (CLPHA), I would especially like
 to thank you for the provisions of this year's Housing Authorizing
 Bill (H.R.1) that would, among other things:

- a) provide \$1.4 billion in operating subsidies;
- b) provide \$2.225 billion in modernization funds;
- c) keep the public housing development program alive;
- d) provide a reasonable plan for operating subsidies for
 vacant units, which is especially important to
 my Authority; and,
- e) prevent unreasonable tinkering by HUD with the Performance
Funding System under which our operating subsidies
 are provided.

Your bill would also recognize that modernization funds ought
 to be adequate to restore public housing units to long-term viability
 and to modern standards of marketability, both very important and
 laudable provisions. We only wish that HUD shared the insights that
 your committee has shown with this Bill.

Mr. Chairman, the CHHA manages 11,700 conventional public housing units, of which 9,311 are currently occupied; and an additional 5,135 units of "Section 8 existing" for households who live in private housing. Altogether we house over 30,000 individuals. Within the City of Cleveland alone, we house 3.5% of the city's population in our conventional program.

At the present time, we have a 20% vacancy rate. Why is this? Mr. Chairman, it is not because of a lack of need for these units within our community. Indeed, we serve only a small proportion of the eligible very -low income population of our area, a population that is paying higher proportions of their income for rent than ever before in previous decades, and much higher proportions than better-off elements of the population. [*See note on next page.]

Public housing in Cleveland, however, like the City itself, is among the oldest in the nation. As such, it is plagued by problems of deteriorated condition, declining infrastructure, and the lack of local resources to meet urgent needs. The City of Cleveland has by and large not been "hit" by the current economic recovery. Only 15-20% of our households in public housing currently have a working head of household; and the mean income of our residents is only \$3,800 per household. We know the meaning of poverty in our community. At the same time, we sense that HUD has lost any sense of mission to address the enormous housing needs of the poor in our cities, and has instead turned its efforts toward withdrawing or eliminating the very limited resources that are currently available, with an eye to ending the program as quickly as possible.

[* Note: There are over 27,000 households in Cleveland who need housing assistance, according to a recent study done by the Cleveland Urban Studies Program. The CHHA, however, has temporarily stopped taking applications because our current waiting list is so long and the total number of units available for occupancy is not growing at the present time.]

If there is a need, you may ask, why is the number of occupied units in the CMHA decreasing? The answer lies primarily because the long history of neglect and inadequate funding has resulted in a cycle of continuing deterioration which leads to continuing move-outs, increasing vacancy rates, followed by further deterioration. In addition, many of our units are simply obsolete in terms of no longer being matched with the market demand they now need to be serving. (This is particularly true of our zero-bedroom, i.e. efficiency units.)

Is there any answer? Yes, we think there is. And there are four parts to this answer:

- 1) adequate federal funding for operating subsidies and modernization, especially with an eye toward restoration of as many vacant units as feasible to occupancy;
- 2) better Housing Authority strategic planning in cooperation with our elected officials and local community and civic groups;
- 3) increased tenant role in the management of our housing estates; and,
- 4) improved management techniques on the part of the Authority.

Modernization Funding Needs. Mr. Chairman, since I became Executive Director of the CMHA, I have made a major effort to accelerate our modernization program activities. From January 1983 to January 1984, the CMHA spent or obligated approximately \$5 million in modernization funds. For a similar 12-month period in 1984, the CMHA spent or obligated approximately \$11 million in modernization funds, over twice as much, for a total of \$15,620,000 over the two-year period.

Our rate of modernization expenditures will be increasing even further in 1985. Nonetheless, we are just beginning to meet the need. We currently estimate that the average per unit modernization need of

our 11,700 units is approximately \$12,220 per unit, for a total need of about \$143 million. So we still have a ways to go.

Our current vacancy rate varies widely by the types of units involved, and we have done an analysis of these vacancy rates in order to guide our modernization efforts. For example, we have a 51% vacancy rate in our 0-bedroom (studio) units. For our 3 and 4 bedroom units, however, where the demand is greatest, the vacancy rate is only about 11-12%, in spite of the many physical problems and deterioration in these units.

So one of the major goals of our modernization program is to try to determine what to do with these very small units, whether we should do "breakthroughs" and convert them into larger units, or deal with them in other ways, including conversion to non-elderly occupancy.

We also need to address the problems of our aging infrastructure. For example, we have over 15 miles of underground piping that needs to be replaced or substantially repaired.

In addition, we especially need money for energy conservation. This would result in enormous savings to the Authority, since over 40% of our current operating budget goes for heat.

Administering this program, we have a modernization staff of approximately 10 people, funded largely under the CIAP program. The Administration's budget proposal for FY86 would cripple our ability to continue supporting this staff. With the massive amount of modernization work now moving through our pipeline, and an acceleration of actual work being started during 1985 and 1986, such a "wipe-out" of our modernization staff in 1987 would be disastrous.

Modernization is an on-going program for us. It can't be turned on and off like a faucet, nor postponed for a few years like a UDAG grant for a hotel.

We therefore urge the Congress to approve the full amounts recommended by your committee for the continuation of the modernization program at a level of \$2.225 billion in FY86.

We need to break the cycle of physical deterioration, social deterioration, and political neglect. Our low-income communities can be restored, and we are determined to do everything in our power to bring this about, working with the residents of our estates and with our political leadership at home and in the Congress.

2. Second, Mr. Chairman and members of the Committee, we need to do a better job of strategic planning in cooperation with our local community. I have therefore directed that CMHA begin the preparation of a five-year strategic plan for our Housing Authority. To work on this plan, I have created a "Futures Committee" composed of CMHA staff members drawn from a variety of disciplines. The mission of this Committee is to analyze the significant economic, political and sociological forces at work at the national and local levels that will shape the destiny of the Housing Authority over the next few years, to project these trends so as to suggest a future "profile" of the HA, and to identify the strategic options available to the CMAH in light of these trends and the resources that are likely to be available to us.

For example, the Futures Committee may conclude that long-term trends are manageable if the CMHA improves its management style. On the other hand, the Committee may suggest that declining financial resources and increasing operating expenses dictate a retrenchment

in the operations of the CMHA, and a phasing-out of those sites that are prohibitively expensive to operate.

In this planning effort we will be working closely with a major civic group in the area, the Cleveland Round-Table, which is assisting us in this planning venture.

I mention this planning effort, Mr. Chairman, especially to highlight the fact that we are very concerned about the long-range viability of the units we are proposing to modernize. We want to make sure that these scarce resources are intelligently used. And we think this community-wide planning approach is a much better process than the arbitrary arithmetical scoring processes which HUD is currently trying to impose upon us in its new "viability" standards which have been introduced into the FY85 allocation plan.

3. Tenant Involvement. Third, we are exploring increasing tenant involvement in the operations and modernization of our estates. In particular, we have recently issued a report on the Tenant Management activities being encouraged and supported by the CMHA, which I would be happy to send to this Committee.

4. Improved HA Management Techniques. Finally, Mr. Chairman, we are making strenuous efforts to improve the management techniques of the Authority. The McHenry report and successor planning groups identified numerous ways in which the day-to-day operations of the Authority could be improved; and action is being taken on this front.

In conclusion, Mr. Chairman and members of the committee, there is a great need for the continuation of modernization funds, especially to return vacant units to occupancy, and for operating subsidies for

vacant units until those vacant units are modernized. Our public housing estates need to be brought up to current standards and in many cases reconfigured to current conditions, including a change in bedroom sizes of units. The cycle of deterioration has to be stopped. And we must guarantee that those now living in public housing have a decent place to live.

We cannot abandon the poor, nor walk away from this country's enormous investment in the public housing program. We do need to make intelligent plans, in cooperation with our local communities, and the CMHA is doing this now.

I thank you and your committee again for your support of public housing in the past; and I would be very interested in hearing your opinions concerning what we can do to convey our message to the whole Congress in this critical budget year.

One final word -- about public housing home-ownership. In Cleveland there may be some units suitable for home-ownership, for example widely scattered single-family units, because management of these units is very costly to the Authority.

For the most part, however, we regard the homeownership program in public housing as a cruel hoax. In many of our estates the units and surroundings have deteriorated to the point where, without a major modernization effort, the units would have little market value after purchase by a low-income household. In addition, they would be very expensive to heat and maintain, almost certainly beyond the economic resources of most of our very low-income tenants.

Sale of those units to the few households that could afford them would result in a skimming off of the best units, resulting in a lower average condition for the rest of our stock, and an increasingly stratified very-low-income population in our estates. The political

and economic consequences of this are abhorrent. These program proposals we feel will increase divisions and tensions within our existing tenant population.

Instead of trying to sell off and dispose of public housing through its so-called homeownership program, we recommend that HUD join with the Congress in developing new and expanded low-income homeownership opportunities through other program vehicles.

Thank you very much for your attention.

I would be happy to try to answer any questions which you may have.

I am also attaching as a separate document some recommendations that CLPHA would like to suggest as possible modifications to H.R.1, and an indication of which of these items are of greatest priority to CLPHA. Thank you for your consideration.

Chairman GONZALEZ. At this point, I am going to recognize Ms. Oakar because she is the very distinguished member of the subcommittee, and represents that area, and she has been invaluable in the Congress successfully forging the programs that have to do with housing and community development.

Ms. Oakar.

Ms. OAKAR. Thank you, Mr. Chairman. I want to welcome Mr. James to the committee.

Mr. James, as you might imagine, I have mixed feelings about your testimony. As you know, I battle with your board of trustees on so many issues, but that does not in any way reflect on your testimony. We have critical housing needs in Cleveland. We've always had them. Prior to your administration, as the chairman and the staff might remember, I asked the inspector general to do an analysis of Cleveland's Public Housing Authority. The inspector general found that CMHA was one of the most corrupt in the country, notwithstanding places like Chicago and a few others. In fairness to you, Mr. James, I want to say that you were not director at that time. The problem I have, Mr. Chairman, and I want to say this for record, is that I feel deeply that we need a strong housing program. I am opposed to the Reagan cuts. However, if Cleveland's problem is as the director says on page 3 of the testimony: The answer lies primarily from the long history of neglect and inadequate funding, et cetera, which I think is partially true, but not entirely true. In Cleveland, I think that if a study was taken, we'd find that these problems exist as in other cases where you have these huge housing authorities. In Cleveland, we have a situation where a board of trustees is made up of five people. Three live in the wealthiest areas of the county; one does not have a single unit of public housing in her neighborhood; and most of whom live in areas with little public housing. The only two members who have any credibility on that board happen to be the residents of public housing who, by and large, will try to do what's right for the community.

However, the residents are outvoted on that board, so I am kind of somewhat amused to hear the director talk about tenant management. The councilwoman of one particular area fought tirelessly to bring that about. It was through real wear and tear on her part and that of the residents that they finally got it. It was like pulling teeth to get tenant management, because of the board's resistance to that notion.

Now, I have a hard time—I mean I am fundamentally for public housing. Tomorrow, Mr. Chairman, you are having a hearing on the homeless, and you are gracious enough to include my homeless bill in H.R. 1, the omnibus bill that you introduced.

But here is my problem: I am fundamentally for public housing, but it is difficult to support public housing when I know it is not operated fairly and in the best possible manner in my city; and it hasn't for years. I cannot tell you how frustrating it is, but I continue to support the efforts of the chairman because I don't think it's fair for me to deprive the people of the country of this opportunity.

What I want to do is submit some of the letters I have written to the housing authority and to HUD, questioning in one specific ex-

ample where the board put something on the agenda that was not published. The resolution passed. The only two people who voted against the project were residents who knew the community. Residents told me they had no idea this item was on the agenda.

This is the kind of impropriety that goes on in my city that I am sure mirrors problems throughout the country. Incidentally, I would like to embrace one portion of the Reagan philosophy and only the portion regarding privatization in the sense that we not gut the program and sell off all of our housing. In Cleveland what we ought to do is eliminate the board structure, do away with the housing authority, and establish a tenant management program that subcontracts managing the programs and puts the housing authorities in a smaller situation so that they're managed properly and perhaps hire consulting firms that would run the program.

I think that's the only way to clean up the mess that we have in our city. I say this without any personal disrespect toward the director, who at times has his hands tied because of the board.

My enthusiasm for public housing constantly gets tempered by what I consider manipulation and, at times, corruption that goes on in our area, as proven by the inspector general's report. It is frustrating for those of us who constantly support public housing. It must be frustrating for the director to not have his best judgment prevail. He may not agree with me.

Mr. Chairman, we've got to take a look beyond the budget. It's no wonder people who do not subscribe to public housing and subsidized housing win some of their arguments. After all, they see the manipulation that goes on in the community and it only gives their point of view more credibility. The people who are really suffering in our area are the poor. We have 27,000 people on waiting lists for public housing, and that's probably a conservative estimate by the director. Additionally, we have all this boarded up housing. We have a public housing board that knows very little about public housing, with the exception of the two residents who serve on the board, and it really aggravates me.

Mr. Chairman, I have been saying the same thing for the last 8 years. I don't like to embarrass the director, but I tell you that I think CMHA in Cleveland ought to be eliminated. We ought to turn control over to the residents and members of the community. They would use the scarce funds much better. I am confident we would see much more safe and decent housing in our area. I am convinced this would be true of Chicago and other housing authorities.

I want to ask permission to submit my letters to the chairman of CMHA, and material that I have sent to HUD, for the record. I am going to support the bill. The chairman knows that. But I have to be on record on what has gone on in my city over the years, because it's just going to continue to go on if our committee doesn't do something about it.

Thank you.

[The letters referred to by Ms. Oakar follow:]

MARY ROSE OAKAR
57th District, Ohio

DISTRICT OFFICE:
225 FEDERAL COURT BUILDING
215 BROADWAY AVENUE
CLEVELAND, OHIO 44114
(216) 523-4227

WASHINGTON OFFICE:
2255 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 523-6771

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 20, 1985

CHAIRMAN
BANKING, FINANCE
AND URBAN AFFAIRS
POST OFFICE AND CIVIL SERVICE
Chair, Subcommittee on Compensation
and Employee Benefits
SELECT COMMITTEE ON AGING
Chair, Task Force on Social
Security and Women
COMMITTEE ON HOUSE
ADMINISTRATION
WHIP AT LARGE

Mr. Peter M. Ishkin
Board Chairman
Cuyahoga Metropolitan Housing Authority
144 West 25th Street
Cleveland, Ohio 44113

Dear Mr. Ishkin:

Many people have contacted me to express their opposition to the extraordinary procedure used by the Cuyahoga Metropolitan Housing Authority (CMHA) Board on February 6, 1985. A resolution approving the proposed Transitional Housing project was introduced despite the fact that this matter was not on the agenda and no provision was made for community consideration of the project. Significantly the two board members who live in the neighborhood of the Travelodge and are, therefore, best able to evaluate the project, did not vote for the resolution.

I am very disappointed with the manner in which you, as CMHA Board of Chairman, have conducted this matter. Raising a resolution without proper notice or discussion suggests a lack of confidence in its merits. In the future, I suggest you follow open and public procedures for the Board's deliberations. I also suggest you develop a consensus for projects by consulting with relevant leaders, particularly in those neighborhoods affected by the Board's actions. I urge you to withdraw the waiver request you sent to the Department of Housing and Urban Development seeking preferential treatment for the Transitional Housing project. Finally, I encourage you to at least hold a public CMHA meeting where the issues can be aired and evaluated fairly.

I look forward to reading your response to my comments and suggestions.

Sincerely,


Mary Rose Oakar
Member of Congress

MRO:af
cc:Shirley McVay Wiseman
Assistant Secretary

AHOGA METROPOLITAN HOUSING AUTHORITY

EST 25TH STREET • CLEVELAND, OHIO 44113 • 216/348-5000



PETER M. KIRBY
CHAIRMAN
NICHOLAS W. RICHMOND, P.
VICE CHAIRMAN
MRS. MARK E. CHILDRESS
MRS. KATHERINE S. BALOGH
MRS. ADELINE TURNER
GEORGE W. JAMES
EXECUTIVE DIRECTOR

February 28, 1985

The Honorable Mary Rose Oakar
2436 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Oakar:

I am writing in response to your letter of February 20, 1985. In that letter, you expressed concerns about the procedures and decisions of the Board of Commissioners of the Cuyahoga Metropolitan Housing Authority (CMHA), relative to the Transitional Housing Project proposed for 1545 West 25th Street, Cleveland, Ohio 44113. I will respond, in turn, to each of those concerns.

First, you object to a resolution in support of the Transitional Housing Project having been introduced at the regular CMHA Board meeting of February 6, 1985. Your objection suggests that the resolution was not on the Board's agenda for that meeting, and that there was no opportunity for community consideration of the proposal.

A brief summary of the Board's actions with respect to the Transitional Housing Project, both before and on February 6, 1985, is necessary to address properly this concern. As you know, the proposed role for CMHA in the Project is for CMHA to provide financial assistance under the Section 8 Moderate Rehabilitation Program. In its administration of this Program, CMHA has worked closely with the units of local government to insure that the dwellings selected are consistent with their housing assistance plans, and to facilitate rehabilitation financing under their Community Development Block Grant Programs, where appropriate. These efforts have been very successful.

The Transitional Housing Project was on the agenda and considered by the CMHA Board at its regular meeting of December 5, 1984. At that time, the Board had a full public discussion of the proposal, and letters strongly in support of the proposal from community leaders such as the Honorable George V. Voinovich, Mayor of the City of Cleveland. During the December 5, 1984 meeting, the Board carefully considered the merits of the proposal, and the views of Mayor Voinovich and other community leaders, and then voted in favor of a resolution in support of the Project.

The Transitional Housing Project was again on the final agenda and considered by the CMHA Board at its regular meeting of February 6, 1985. At that time, the CMHA Board merely reaffirmed its earlier decision regarding the Transitional Housing Project, to provide the CMHA staff the support it deemed necessary to continue its implementation of the December 5, 1984 resolution. The reaffirmation was effected by the passage of a resolution during the public session of the meeting.

With respect to the substance of the proposal, I believe it is an innovative and positive plan for redressing a serious problem in the community. That it was designed and will be implemented by neighborhood organizations clearly enhances its potential for success.

Based on the foregoing, I respectfully submit that the CMHA Board has acted in this matter responsibly and in accordance with all applicable laws.

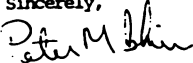
Second, you request a public CMHA meeting where your concerns about the merits of the Transitional Housing Project can be aired and evaluated. Please be advised that all CMHA Board meetings are open to the public, and that at every regular meeting of the CMHA Board the public is invited and permitted to discuss any policy issue that is pertinent to the Board. Accordingly, the public may address the CMHA Board, in regard to the Transitional Housing Project, at any of its regular meetings.

Third, you suggest that the CMHA Board, in the future, should conduct its deliberations before the public. The implicit, if not explicit, assumption in this request is that the Board does not do so presently. I respectfully submit that your assumption is incorrect. The CMHA Board conducts its business in public meetings in accordance with all applicable laws, including the Ohio "Sunshine Law."

Fourth, you request the CMHA Board to withdraw the waiver request it sent to the United States Department of Housing and Urban Development in connection with the Transitional Housing Project. Based on the merits of the proposal, and the strong support it has received from Mayor Voinovich and other civic leaders, I continue to support the proposal and, therefore, the waiver request.

I thank you for your interest in CMHA and trust that we can continue to work together in the effort to provide decent housing to CMHA residents.

Sincerely,



Peter M. Iskin
Chairman, CMHA Board of
Commissioners

cc: Shirley McVay Wiseman, Assistant Secretary of HUD
CMHA Board
George M. James, Executive Director of CMHA
George V. Voinovich, Mayor of City of Cleveland

MARY ROSE OAKAR
22nd District, Ohio

DISTRICT OFFICE:
222 Federal Court Building
210 Supreme Avenue
Cleveland, Ohio 44114
(216) 525-2227

WASHINGTON OFFICE:
2225 Radburn House Office Building
Washington, D.C. 20545
(202) 525-2271

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 20, 1985

CHIEF CLERK
BANKING, FINANCE
AND URBAN AFFAIRS
POST OFFICE AND CIVIL SERVICE
Chair, Subcommittee on Compensation
and Employee Benefits
SELECT COMMITTEE ON AGING
Chair, Task Force Social
Security and Women
COMMITTEE ON HOUSE
ADMINISTRATION
WHIP AT LARGE

The Honorable Shirley McVay Wiseman
Assistant Secretary for Housing
Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Ms. Wiseman:

It was a pleasure to meet with you in Cleveland and to show you some of our problems and opportunities. I also appreciate the time you took to consider some of my constituents' concerns.

It is my understanding that the Cuyahoga Metropolitan Housing Authority (CMHA) has requested a waiver of regulations in order to proceed with the Transitional Housing project at the Travelodge on West 25th Street. As I hope Councilwoman Smith was able to demonstrate, this project does not merit preferential treatment. I join Councilwoman Smith in recommending that the waiver request be denied. In principle, the project is a worthy one, but there are a number of compelling reasons for locating it elsewhere.

I am enclosing for your information a letter that I sent to the Chairman of the CMHA expressing my dismay over the manner in which this project has been rushed through by circumventing established public housing authority procedures. At each step of the way, this project has been furthered in a similar manner.

Once again, I appreciate your attention to these matters of concern to me and my constituents.

Sincerely,


Mary Rose Oakar
Member of Congress

MRO:af
Enclosure

Chairman GONZALEZ. Well, first let me acknowledge the fact that your support has been indispensable, there's no question about it. And we count on it. But I notice that the title of the authority is the Cuyahoga Metropolitan Area, which means what, then, that it's a county agency?

You see, this is unlike the average outside of——

Mr. JAMES. Mr. Chairman, it is a county agency.

Chairman GONZALEZ. It is a county agency?

Mr. JAMES. Yes, Mr. Chairman.

Ms. OAKAR. But the housing——

Chairman GONZALEZ. But are they appointed—excuse me for interrupting.

Ms. OAKAR. They're appointed by public officials, such as the mayor and the commissioners. The only credibility the board has, in my judgment, is through its members who are residents. The residents feel at times intimidated, even though they courageously sometimes don't go along with the board. After all, they're living in the public housing and this board controls their individual lives. It's really sad, Mr. Chairman.

We have continued to saturate the same neighborhoods with public housing and various projects over and over again. There's no vision in terms of a plan. I am heartened to hear that there is some kind of plan. But I want to know who belongs to the groups you want to appoint, because they're going to be the same people, people who, by and large, do not live in communities where there are substantial numbers of public housing, where the people in those communities have no control over their destiny, and it's the same old upper echelon crowd that controls the lives of poor people.

Mr. Chairman, the poor people could do a much better job running their own housing developments than any of these so-called boards. In the past we've had people who were developers on the board; we've had people who were union leaders on the board, specialists. When are we going to turn it over to the poor people and oversee their actions? I am confident that they would root out the drug peddlers and all the problems. Moreover, they would do a better job of managing their housing, and we would not have people who do not live in those neighborhoods look askance at public housing because they would be better managed.

In terms of my own city, I think that's the only way we can ever come forward with an honest-to-goodness housing authority, by turning it over to the residents with some help from other people in the community, some subcontracting out, and make it a smaller situation by making each housing area responsible for its own management.

But as long as we have this board, with the exception of the tenants, operating in secret and not publishing its agendas so that members of the community know what's going on, we're going to have the same type of corruption. I am not proud of that. I love my city and I love the whole idea of housing the poor. We have a moral responsibility to do that. But we should not allow the housing authority to continue to be manipulated in the manner in which it's been done.

I am sorry I have to be so specific and bold about it, Mr. Chairman, but I have to say it for the record. I don't know how many times I have stated my concerns, but I just have to say it. I want to see that whole operation eliminated so that the residents can control their own destiny and we can house people better and we don't give credibility to the Reagan mentality that we don't have an obligation to take care of our poor people and assist our elderly and mothers who are heads of households and others in terms of their housing needs.

Thank you, Mr. Chairman.

Chairman GONZALEZ. There is no question I certainly sympathize and understand. The point I was making by asking the question is that how a board is constituted or how it's appointed, I think is the key to the whole thing, where you have a countywide area. You see, unlike most of the States, including mine, the local legislative body—in this case, the city council of San Antonio—does the appointing of the housing authority. It may be that in Ohio you have State statutes that govern very differently. I don't see any other reason why it wouldn't be. But if you have a countywide agency, just as in our case in San Antonio, in Bexar County, the actual residual county jurisdiction has about, oh, I'd say, one-sixth of the total population in the metropolitan area, so that the county has a separate county housing authority.

And the reason for its existence is that it's empowered under State law to issue bonds, tax exempt for housing construction and the like. But it's an entirely different administrative area from the San Antonio Public Housing Authority. The city council is elected by the people directly by districts. In selecting the members of that commission, they are going to have to be responsive. If you have absentee directors living in one far corner of the county away from the inner city and the denser areas of the county, you're bound to have these results. You're going to have no accountability. And you've got to have accountability.

So I can see there, and I can sympathize, but I am delighted that it hasn't caused you to not support the programs, because your help here—and I know how you stand on being for the lesser privileged members of our society. You've been a champion all along. And I do feel, though, that maybe perhaps in this case the entire method of selecting members for the housing authority board is at the root cause of that problem.

I am sorry to hear it, though, because you are right, these are human problems in themselves. I say that, you know, it's like privatization, well, that sounds great, who's against homeownership, but the reality is, I think, very much as Mr. James very aptly pointed out. Besides, you know, they say the meek shall inherit the Earth, but once the meek do, they won't be meek any longer. And if we really follow through on making public housing tenants owners, they no longer would qualify as public housing tenants owners and would no longer benefit from Federal subsidies. Naturally the administration is not going to be for great amounts of Federal subsidies. So we may not be talking about the same thing when we say we want privatization.

It's like bilingual education. I find that no two people are talking about the same thing.

So I just want you to know, though, and the record should show, that you have been one of the lifesavers of assisted housing programs, every one of them.

Mr. James, I know that you have the time, and we may have held you here.

And also I want to thank the other two witnesses for their great patience and understanding.

We do have a member of the subcommittee that is very young and refreshing in his contribution to the subcommittee. Well, he is now a veteran of one Congress and he's on his second round in the Congress, Mr. Carper from the great State of Delaware.

Mr. CARPER. Thank you, Mr. Chairman. I presume that the panel has all presented their testimony and you've had a round of questions? Is that correct?

Chairman GONZALEZ. Certainly.

Mr. CARPER. I apologize for not being here for your testimony. I serve on three subcommittees that are meeting at literally the same time, and I have been late. I will read your testimony and my staff will review it. I just want to say thank you for taking time from your schedule to be here with us on this very important subject.

Chairman GONZALEZ. Thank you, Mr. Carper.

Mr. JAMES. Mr. Chairman.

Chairman GONZALEZ. We haven't given you a chance. You may wish to respond.

Mr. JAMES. Yes, I would.

Chairman GONZALEZ. Certainly, you are recognized for that purpose.

Mr. JAMES. Mr. Chairman, thank you very much for this opportunity to respond. I certainly respect Congresswoman Oakar, and I can appreciate the frustration that she is expressing this morning. We have talked on a number of occasions, and I understand the problem, which only suggests the peril of a housing authority director in working in these kinds of situations.

I think that we have a diversified community, one that does represent the total county, and there are a number of different views in reference to how the housing authority is to operate. Recently, there was a bill that was passed that allows the city of Cleveland to appoint most of the board members, four out of five. The fifth member is appointed by the city in the county which houses the most units outside of the city of Cleveland.

Obviously, I would not presume to speak for the board, who are not present at this meeting. But I work for the board and I respect the board. I think that they are a group of citizens of a city and of the county, who are dedicated people and who are doing the job for the residents of Cuyahoga Metropolitan Housing Authority. And while there may be differences of views, the opportunities to discuss those differences are always open, and we certainly would be pleased to have the Congresswoman or her staff to deal with these differences.

As a matter of fact, the chairman has addressed a letter to me—I don't know if you've received it yet, Congresswoman—in reference to some issues that you've brought up. I think that he states in that letter that he is more than willing and welcomes the opportu-

nity to discuss the matters and differences with the Congresswoman and would invite her to do so.

Chairman GONZALEZ. That's the chairman of your board you referred to?

Mr. JAMES. Yes, sir.

Ms. OAKAR. Mr. Chairman, if you would yield on that point.

I appreciate your defending the board. After all, your job relates to it. But let me just say this. Mr. Director you, yourself, told me that when I asked for a meeting with the board that residents wanted to meet with the board and so on, and you told me that you'd passed that along to the chairman of the board and he said he wasn't interested. Isn't that a fact?

Mr. JAMES. It didn't come out quite like that. I don't remember the circumstances as you presented them. I think it had to do with an issue that had already been discussed and the board felt that it would not be resolved at a subsequent meeting.

Ms. OAKAR. Well, I am going to put in the record my letter to the chairman of the board. Mr. Chairman. This is just a small example. The inspector general said our housing authority is really corrupt and, with due respect to the director, I know he's trying and he's not responsible for the past but sometimes the past is prologue, and you've got the same personalities running the show. As an example, the board brings up a resolution not on the agenda. They know the community wants to discuss it. What have they got to hide? When people ask, "Is this going to be brought up?", they say, "Oh, no, you know, here's our published agenda." And then somebody brings it up out of the hat and they pass the resolution that asks for waivers of HUD, which puts all the other people behind who have been waiting for housing.

This is the sneakiness of that board. So if you want to defend that board, I will oppose you. Now, I am trying to be nice to you, but if you want to be in the position of defense here, then I think that for the record I have to establish my own position.

I am representative of the point of view of thousands of people. The problem is that when they bring up resolutions out of hand, who do you think supports the resolution? The residents on the board, and the others carte blanche support it.

Now, this is not the only time this kind of situation has happened. And this is minor compared to the manipulation of funds and the stolen goods. One of the councilmen in our area—he's deceased—was beaten up because he was trying to get to the bottom of what was going on in our area.

I am telling you, Mr. Chairman, the best thing that my housing authority could do is disband and let the residents manage the funds, with some assistance from a consulting firm that's objective, and we would have a much improved situation, believe me.

Maybe Director James then could be the consultant or something and maybe some positive things could get done. Positive development won't happen as long as you have a board that resists having open public meetings and refrains from dealing forthrightly with communities in which they choose to conduct themselves.

Chairman GONZALEZ. I don't wish to keep you longer, but you say there was an IG report.

Mr. James, did the board ever address itself to whatever recommendations the inspector general might have made?

Mr. JAMES. The report that the Congresswoman has in mind—I am not even familiar with it at the present time; I think that was some time ago, and I am sure that the board did deal with it. There has been no recent IG report on CMHA. And all of the auditing and reports of the CMHA in the past at least 2 years since I have been there have been responded to and there has been no findings of any sort that we are aware of. So I am not familiar with the report that the Congresswoman refers to.

Ms. OAKAR. Mr. Chairman, the report was made a little more than 2 years ago. The report was completed and released publicly right before Mr. James was hired. The inspector general is still monitoring our situation. I wish him luck. There is no way to approach the situation other than just to eliminate that structure and let the residents manage it.

I am not talking about Ronald Reagan's plan when I talk about privatization. I am talking about letting the residents, in conjunction with consulting firms, manage it. With the limited funds the residents have, they'd do a 20,000 percent better job.

Chairman GONZALEZ. Well, we did hear testimony from Ms. Kimi Gray earlier.

Well, Mr. James, we know we've held you. If you have any additional statements you wish to make, we'd certainly recognize you for that purpose.

Mr. JAMES. I don't think so at the present time, only that we have done a study on tenant management in our agency, which we'd be very happy to supply to this committee.

Chairman GONZALEZ. Yes; we would be intensely interested in that. You indicated in your statement—and if there is no objection, we will place your report in the record of the proceedings when we receive it.

Mr. JAMES. Thank you.

Chairman GONZALEZ. And we would appreciate having it. Thank you very much.

[See the appendix section for the referred to report.]

Chairman GONZALEZ. You have been very patient and very kind, Mr. James, and we deeply appreciate your appearing here today. It's been helpful in your representation of the larger housing authorities, particularly. So thank you very much. I hope we have enabled you to keep your appointment or your schedule.

Mr. JAMES. Thank you, Mr. Chairman, and members of the subcommittee.

Chairman GONZALEZ. Thank you.

Mr. Chico and Mr. Nicholson, thank you very much for your patience. You have been extremely kind and patient and enabled us to proceed without interruption.

We will recognize Mr. Nicholson unless, Mr. Chico, you have some time problem.

Mr. CHICO. Thank you, sir. I have the same airplane problem.

Chairman GONZALEZ. Oh, you do. Well, we'd better recognize you right away and expedite the proceedings.

STATEMENT OF BROWN NICHOLSON, JR., VICE PRESIDENT OF LEGISLATION, PUBLIC HOUSING AUTHORITIES DIRECTORS ASSOCIATION, AND EXECUTIVE DIRECTOR, COLUMBUS HOUSING AUTHORITY, COLUMBUS, GA

Mr. NICHOLSON. Thank you, Mr. Chairman. My name is Brown Nicholson. I represent the Public Housing Authorities Directors Association today. This is an association of 400 executive directors of housing authorities around the United States. The majority, the vast majority, of our membership—although Mr. James is one of our members, and so is Mr. Simon—are directors of much smaller housing authorities, as am I.

I would like to request, if I may, Mr. Chairman, that our written testimony that was submitted according to the schedule, be entered in the record of this proceeding.

Chairman GONZALEZ. Certainly. The prepared testimony you gave us, and gave us some time to study, will appear in the record without objection.

Mr. NICHOLSON. As will my few remarks today, if I may, Mr. Chairman.

Chairman GONZALEZ. Certainly.

Mr. NICHOLSON. I would like to applaud the committee both in its concern for the low-income housing needs of America and the dedication that the committee has shown in finding a solution to these needs. Contrary to the statements of its many critics, H.R. 1 we think is realistic legislation. To take any other position would concede the administration's view that less is better for America's poor.

We congratulate the committee for its support of the housing needs of America and pledge our support for their enlightened look at a problem so crucial to so many of our citizens.

The proposed budget for fiscal year 1967 fails to address the housing crisis in America. HUD's budget is an indication that this administration tends to divert the Federal Government of any obligation for providing decent, safe, and sanitary housing to all of America's citizens.

Our immediate obligation is to ensure the livability of the existing public housing stock. To that end, we urge your rejection of HUD's proposed operating subsidy and modernization funding levels. HUD proposes to overcome inflation cost increases, at least in part, by penalizing housing authorities for vacancies and freeing at least some of our operating expenses, over which PHA's have no control. As a matter of fact, neither does HUD.

If, in fact, reduction in operating costs can be realized, any excess funds appropriated will not be lost, simply carried over into 1967. It is much more effective, Mr. Chairman, to repair a broken water main or a broken piece of equipment before it destroys itself. Yet HUD is recommending a drastic cut in modernization funding this year over last year, and they say that they will make it up with a much smaller cut next year.

In the South, where I come from, we call that Potomac logic.

HUD is spending \$4.5 million on a study of modernization needs and costs, which should be completed prior to the enactment of fiscal year 1967 appropriations. It would seem to us to be much

more logical to continue the current modernization appropriation until the results of this survey are available and a better estimate can be made of the real modernization needs.

HUD proposed no new assisted units in fiscal year 1986, and yet housing authorities all over the Nation are experiencing tremendous waiting lists. HUD's new programs, as yet untried—like vouchers, HoDAG, and residential rehabilitation—have also felt the budget ax. The cruel irony of an elderly applicant dying while on a waiting list while HUD seeks no new development funds, causes one to wonder where this country is going in its pellmell pursuit of the elusive reduced deficit.

Some of our specific concerns, Mr. Chairman, if I may number a few, include deregulation and the return to local control. HUD simply must quit tinkering for tinkering's sake and begin to make serious efforts at deregulation, particularly in the better managed PHA's. Along with deregulation should come a return to local control. The best technique for attaining deregulation is probably peer group accreditation.

All of the industry groups are supporting deregulation, accreditation, and a return to more local control. Some very conservative sources have noted a fundamental shift in the Public Housing Program away from local control, and take the position that the Nation must rethink its attitude toward the poor and distinguish between the able and disabled low-income tenant. They call for a new annual contributions contract with HUD, vesting control at the local level, and are urging PHA's to rethink the role of public housing and to begin to recommend legislation which will deal with the role of the PHA in its life after HUD. Assuming that HUD will butt out when it bails out, we find this proposal to be of great interest.

On the subject of minimum rents and direct payments of rents, HUD is asking you to consider minimum rents and direct rent payments by social service agencies. We suggest 30 percent of the HUD determined fair market rent as equitable.

Under this system, social service agencies would pay directly to the public housing agency in behalf of their clients the amount of shelter costs figured in the current budget. This would eliminate zero rents and effect tremendous savings while eliminating one of our primary sources of collection losses.

The subject of economic mix and PHA deficits is something we are very interested in. A couple of years ago the Congress decreed that public housing should be reserved primarily for very low income families, those with 50 percent or less than the median income in the community in which they live. We opposed this change then, we've opposed it since, and we still oppose it.

The effect of eliminating the upper level of low-income tenants has been to guarantee the public ghetto and to deny the residents of public housing the privilege of close association of neighbors with the more affluent and upwardly mobile of their peers.

This legislation has also reduced dwelling rental income for PHA's, increased PHA reliance upon Federal subsidy, and has thus increased the Federal deficit.

In rural America, Mr. Chairman, for several years now much of the new assisted housing has been built and financed through the

Farmers Home Administration. While larger cities, through enactment and enforcement of minimum housing standards, urban renewal type activities, and other initiatives have promoted better housing, such is not the case in many of the rural parts of the Nation.

The administration move to eliminate the Farmers Home Program and transfer those activities to HUD is another setback, in our opinion. The result of this move will inevitably reduce, if not eliminate, new decent housing opportunities for country folks and will force them to seek redress from an understaffed agency unfamiliar with rural problems.

At the risk of oversimplification, may I just list a few of our concerns. A laconic countryman, once asked about what the preacher preached about, said, "Sin." His questioner said, "What did he say?" The countryman said, "He's agin it." That's the way we feel about pets, Mr. Chairman. We're agin 'em. Not at our house, but certainly in concentrated areas of population such as public housing where the tenants themselves are opposed to it.

Tax exemption, we're for it. Section 8 voucher administration fees, leave them alone; 8.5 percent is about right. Section 8 and voucher portability, we have major concerns in this area, and think that a demonstration program would probably be the appropriate direction for this to take.

Deregulation of CIAP, we're for it. Funding cuts in CIAP, we're agin it. Permanent predictable fund levels in CIAP, we're very much for it. Desegregation, we're for it. Let's work with HUD and the other institutions in our communities and put a stop to this business of dual housing systems.

The homeless, we're for 'em. They need a place to stay. Tenant homeownership, we're a little bit cautious. If we all had a Kimi Gray in every project that we operate, we would be less cautious, I assure you.

In conclusion, Mr. Chairman, we are in the final stages—some say terminal—of preparing a comprehensive position paper on the issues confronting the public housing industry. Now at 34 pages, the current draft should be reduced further, and we hope to have it available to the committee by April.

We appreciate the opportunity, Mr. Chairman, to be here this morning and to present our testimony, and would be happy to try to answer any questions the chairman might have.

[Mr. Nicholson's prepared statement, on behalf of the Public Housing Authorities Directors Association, follows:]

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**Statement Before the
Subcommittee on Housing and Community Development
Committee on Banking, Finance and Urban Affairs
U.S. House of Representatives**

March 5, 1985

**Brown Nicholson, Jr.
Vice President/Legislation**

**Public Housing Authorities Directors Association
444 North Capitol Street, Suite 403
Washington, D.C. 20001
(202) 628-0454**

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM BROWN NICHOLSON, JR., VICE PRESIDENT FOR LEGISLATION OF THE PUBLIC HOUSING AUTHORITIES DIRECTORS ASSOCIATION (PHA/DA) AND EXECUTIVE DIRECTOR OF THE COLUMBUS, GA HOUSING AUTHORITY. FIRST AND FOREMOST, ON BEHALF OF PHA/DA I WANT TO THANK YOU FOR THIS OPORTUNITY TO TESTIFY BEFORE YOU AND TO APPLAUD THIS SUBCOMMITTEE ON ITS STRONG AND LONG RECORD OF CONCERN AND DEDICATION TO THE HOUSING NEEDS OF AMERICA'S LOW INCOME FAMILIES.

PHA/DA REPRESENTS THE EXECUTIVE DIRECTORS OF 800 PUBLIC HOUSING AGENCIES THROUGHOUT THE UNITED STATES AND, LADIES AND GENTLEMEN OF THE SUBCOMMITTEE, WE NEED YOUR HELP ONCE AGAIN. HUD'S PROPOSED BUDGET FOR FY 1986 FAILS TOTALLY TO ADDRESS THE EXISTING HOUSING CRISIS IN THIS COUNTRY. ONE FAILS TO SEE THE LOGIC OF HUD REFUSING TO FUND EITHER NEW DEVELOPMENT OR CAPITAL IMPROVEMENTS TO EXISTING STOCK WHILE PHAS IN ALL REGIONS OF THE NATION NOW CARRY MULTI-YEAR TENANT WAITING LISTS. HUD'S BUDGET IS AT BEST SHORT SIGHTED, AT WORST, AN INDICATION THIS ADMINISTRATION INTENDS TO FULLY DIVEST THE FEDERAL GOVERNMENT OF ITS MORAL AND LEGAL OBLIGATION OF PROVIDING DECENT, SAFE AND SANITARY HOUSING FOR ALL AMERICANS.

OUR IMMEDIATE OBLIGATION IS TO ENSURE THE LIVEABILITY AND LONG TERM VIABILITY OF OUR EXISTING STOCK OF LOW INCOME HOUSING. TO THAT END WE URGE YOUR REJECTION OF HUD'S PROPOSED FUNDING LEVELS FOR PUBLIC HOUSING OPERATING SUBSIDIES AND THE COMPREHENSIVE IMPROVEMENT ASSETANCE PROGRAM (CLAP).

HUD PROPOSES TO FUND OPERATING SUBSIDIES IN FY 1986 AT \$1.01 BILLION. HUD'S ESTIMATE FOR PRESENT YEAR OPERATING SUBSIDY COSTS IS \$1.24 BILLION; \$1.20 WAS EXPENDED IN FY 1984. HUD BUTTRESSES ITS LOW FY

1986 REQUEST BY PROMISING TO SAVE FUNDS VIA A SOON TO BE ANNOUNCED VACANCIES PENALTY REGULATION AND A ONE YEAR FREEZE ON PHA OPERATING EXPENSES. HUD'S 1984 PROPOSED VACANCIES RULE WAS RETRACTED AFTER CONSIDERABLE INDUSTRY PRESSURE. AS IT TURNS OUT, HUD HAD FAILED TO TAKE INTO CONSIDERATION BOTH THE COSTS OF MAINTAINING TEMPORARILY VACANT UNITS AND THE LEGAL OBSTACLES TO PROPERTY SALES AND DISPOSITION. THE PROPOSAL VIRTUALLY FORCED PHAS TO MODERNIZE OR SELL. INCIDENTALLY, NO NEW MODERNIZATION FUNDS WERE TO BE PROVIDED. IN FACT, HUD NOW PROPOSES TO FREEZE MODERNIZATION FUNDING. PHA/DA IN REVIEWING THIS HISTORY, MUST VIEW WITH SUSPICION HUD'S FINANCIAL PREMISE FOR THIS FUNDING CUT. REGARDING THE FREEZE, WHAT ARE PHAS TO DO WHEN BASIC MAINTENANCE ITEMS INCREASE IN PRICE OR WITH MULTI-YEAR COLLECTIVE BARGAINING AGREEMENTS? HUD SEEMS TO BE CREATING A BUDGET IN A VACUUM IGNORING BOTH OUTSIDE INFLUENCES AND ITS OWN RELATED BUDGET CUTS. DOING SO IS DISHONEST AND MISLEADING.

PHA/DA URGES CONGRESS TO PROVIDE FUNDING FOR OPERATING SUBSIDIES AT A LEVEL EQUAL TO HUD'S OWN FY 1985 ESTIMATE OF REAL NEED, \$1.24 BILLION, PLUS AN APPLIED INFLATION FACTOR. IF THERE ARE IN FACT MAJOR SAVINGS TO BE HAD IN FY 1986 THOSE SAVINGS WILL NOT BE LOST BUT WILL BE APPLIED TO LATER YEAR COSTS. TO CUT FUNDING TO THE HUD PROPOSED LEVEL WOULD ALSO FAIL TO PROVIDE FOR UNEXPECTED PROBLEMS, SUCH AS A SEVERE WINTER AND ITS RELATED INCREASED ENERGY AND MAINTENANCE COSTS, AND PREJUDICE OUT YEAR BUDGETS.

ALSO NOTE THAT SHOULD HUD'S OTHER BUDGET CUTS BE PUT INTO EFFECT, THE CIAP FREEZE IN PARTICULAR, PHAS WILL BE FORCED TO DIP INTO

THEIR OPERATING SURPLUSES AND RESERVES FOR REPAIRS NOW FULLY FUNDED UNDER NON-OPERATING STIMULY ALLOCATIONS.

THE ADMINISTRATION PROPOSES TO CUT CIAP FUNDING FROM AN FY 1985 LEVEL OF \$1.725 BILLION IN BUDGET AUTHORITY EQUIVALENT TO \$807 MILLION IN ONE YEAR CAPITOL FUNDING TO A LESS THAN BARE BONES \$175 MILLION IN ONE YEAR FUNDING IN FY 1986. IN PRIVATE INDUSTRY, THE STANDARD TO WHICH THE ADMINISTRATION WISHES TO ASPIRE, THIS PROPOSAL WOULD BE RIDICULED. THE CIAP PROPOSAL ASKS US TO MAINTAIN A MULTI-BILLION DOLLAR INVESTMENT IN 1.2 MILLION UNITS OF PUBLIC HOUSING WITH \$175 MILLION, NATIONWIDE. AND THEN HUD INFORMS US THAT FY 1986 NEEDS WILL BE ONLY \$761 MILLION, ALMOST \$100 MILLION BELOW FY 1985 FUNDING. WE ALL KNOW THESE ESTIMATES DO NOT REFLECT REALITY. TO FURTHER DELAY CAPITOL IMPROVEMENTS WILL LEAD TO INCREASED COSTS IN OUT YEARS. A REPAIRED BOILER IS ALWAYS CHEAPER THAN A REPLACED BOILER. REPAIRING ELECTRICAL DEFICIENCIES IS ALWAYS CHEAPER THAN REBUILDING A PROJECT DESTROYED IN AN ELECTRICAL FIRE.

AS THIS SUBCOMMITTEE IS WELL AWARE, A MAJOR NATIONWIDE, \$4.5 MILLION SURVEY IS NOW UNDERWAY TO DETERMINE THE TRUE COSTS OF REPAIRING THE NATION'S PUBLIC HOUSING STOCK. MANDATED BY CONGRESS AND AGAINST HUD OPPOSITION, THIS SURVEY WILL PROVIDE A DETAILED ANALYSIS OF THE PRESENT STATE AND FUTURE NEEDS OF OUR PHAS. IF HUD IS CONFIDENT ONLY \$175 MILLION IN FY 1986 AND \$761 MILLION IN FY 1987 ARE ALL THAT IS NEEDED, WHY, WE MUST ASK, DID CONGRESS DEMAND THIS SURVEY?

PENDING THE RESULTS OF THIS SURVEY HUD OUGHT TO FUND CIAP IN ACCORD WITH LEGITIMATE FY 1986 NEED. CONTINUATION AT FY 1985'S LEVEL OF \$1.725 BILLION IN BUDGET AUTHORITY WILL ENSURE NO RADICAL DETERIORATION IN EXISTING STOCK. BY THIS TIME NEXT YEAR THIS

SUBCOMMITTEE MAY HAVE SOME RESULTS FROM THIS SURVEY AND WILL BE BEST ABLE TO DETERMINE THE FUTURE OF THE MODERNIZATION PROGRAM. THAT DECISION WILL BE BASED ON FACTS AND HARD DATA AND NOT UNRELATED ISSUES AND CONCERNS AS IN PRESENT HUD PROPOSALS.

HUD PROPOSES NO NEW DEVELOPMENT BE FUNDED IN FY 1986 (14,500 UNIT INCREASE IN PROPOSED BUDGET IS REQUIRED FOR REPLACEMENT UNITS ONLY UNDER EXPIRING CONTRACTS AND PROGRAM TERMINATIONS). A SURVEY OF 12 LARGE PHAS REVEALED AVERAGE WAITING LISTS OF 29 MONTHS FOR FAMILIES (LONGER FOR LARGER FAMILIES) AND 25 MONTHS FOR THE ELDERLY. SMALL PHAS ARE EQUALLY PRESSURED. A PHA IN RURAL UPSTATE NEW YORK WITH 376 TOTAL UNITS HAS A WAITING LIST OF 104. AVERAGE TURNOVER IS UNDER TEN PERCENT ANNUALLY. THE CRUEL IRONY OF ELDERLY APPLICANTS NOT LIVING LONG ENOUGH TO GET APARTMENTS WHILE HUD SEEKS NO NEW DEVELOPMENT IS UNAVOIDABLE. IF EVER THERE WAS EVIDENCE OF THE FAILURE OF THIS ADMINISTRATION'S "SAFETY NET" FOR LOW INCOME AMERICANS THIS IS IT.

IN RECENT YEARS THIS ADMINISTRATION ADMITTED THE NEED FOR MORE LOW INCOME HOUSING AND URGED CONGRESS TO FUND IN EXCESS OF 100,000 HOUSING VOUCHERS. DISCUSSION OF THE VIABILITY OF VOUCHERS ASIDE, HUD NOW DOES NOT EVEN WISH TO FUND ITS OWN VOUCHER PROGRAM. HUD'S PROPOSED BUDGET IS ALSO SOMEWHAT MISLEADING IN THAT ONE MIGHT BELIEVE HUD HAS, UNTIL NOW ADVOCATED DEVELOPMENT ACTIVITY. PIPELINE UNITS, WHICH THE DEPARTMENT ACTIVELY SEEKS TO CANCEL, WERE INITIALLY FUNDED EITHER PRIOR TO THIS ADMINISTRATION OR AGAINST ITS WISHES. HUD'S CALL FOR A TEMPORARY FREEZE IS SIMPLY A ROSE (A WEED?) BY ANOTHER NAME. HUD HAS LONG OPPOSED ANY NEW DEVELOPMENT FUNDING AND ONLY CONGRESS DESERVES THE CREDIT FOR SEEING TO THE CONTRARY.

PHA/DA URGES ADOPTION OF FUNDING LEVELS ADEQUATE TO FUND DEVELOPMENT OF NEW PUBLIC HOUSING AND ADDITIONAL SECTION 8 EXISTING UNITS. THERE CAN BE LITTLE DOUBT AS TO NEED. THE ONLY QUESTION IS OUR RESOLVE. PHA/DA WHOLEHEARTEDLY ENDORSES THE DEVELOPMENT AND SECTION 8 INCREMENTS AS FOCUSED IN HR 1 NOW BEFORE THIS SUBCOMMITTEE. THESE ARE NOT PIE IN THE SKY TOTALS AND ARE IN FACT WELL BELOW FUNDING LEVELS OF A MERE FOUR YEARS AGO. IN VIEW OF THE NEED, THESE REQUESTS ARE MODEST INDEED.

HAVING NOW TOUCHED UPON HR 1 I WANT TO RELAY THE ASSOCIATION'S SUPPORT FOR ITS CONTENTS. CONTRARY TO MUCH CRYTICISM, THIS IS NOT AN UNREALISTIC BILL. TO GRANT THAT VIEW WOULD BE TO ADOPT THE ADMINISTRATION'S VIEW THAT LESS IS BETTER FOR AMERICA'S LOW INCOME POPULATION. THIS BILL'S TOTAL BUDGET AUTHORITY IS \$13 BILLION, HALF HUD'S 1981 AUTHORITY. SINCE THAT TIME OUR NEED HAS INCREASED, NOT DECREASED. CONSUMER PRICES HAVE RISEN, NOT FALLEN. SOCIAL SERVICES HAVE DECREASED, NOT EVEN REMAINED THE SAME. IT IS INHUMANE TO CUT BASIC SHELTER FUNDS UNDER THESE CIRCUMSTANCES.

PHA/DA ESPECIALLY APPLAUDS HR 1'S PROVISION FOR HUD REGULATORY OVERSIGHT. IT IS ABOUT TIME HUD STOPPED TINKERING FOR TINKERING'S SAKE AND RETURNED TO ITS TRUE ROLE OF HELPING TO HOUSE THE POOR; TO ASSIST, NOT INTIMIDATE, LOCAL HOUSING PROVIDERS. THE PHAS. THIS TESTIMONY HAS ALREADY ADDRESSED PPS, CIAP, DEVELOPMENT, THE MODERNIZATION SURVEY AND PHA/DA HAS LONG VOICED VERY STRONG OPPOSITION TO HUD'S INCOME RECAPTURE POLICY. WE AGREE ANY PUBLIC HOUSING LOST TO DEMOLITION OR DISPOSITION MUST BE REPLACED BY NO LESS THAN AN EQUAL NUMBER OF NEW PUBLIC HOUSING UNITS. DEMOLITION AND DISPOSITION IS AN ISSUE BEST ADDRESSED BY LOCAL PHAS AND THEIR COMMUNITIES. IN NO CASE, HOWEVER,

OUGHT HUD PROMOTE DEMOLITION/DISPOSITION AS A MEANS OF REDUCING THE NATION'S LOW INCOME HOUSING STOCK. OUR JOINT ROLES AND MANDATE ARE TO SUPPLY SHELTER, NOT DESTROY IT.

PHA/DA APPLAUDS HR'S EFFORTS TO IMPROVE THE PERFORMANCE FUNDING SYSTEM MECHANISM TO MORE REALISTICALLY REFLECT LOCAL VARIABLES AND REWARD PHAS FOR EFFECTIVE MANAGEMENT. A REPLACEMENT RESERVE, WE AGREE, WOULD GO A LONG WAY TOWARDS ATTAINING PROGRAM STABILITY AND EFFICIENCY.

SECTION 116 OF HR1 PROVIDES FOR INDUSTRY CERTIFICATION OF PHA PERFORMANCE. PHA/DA STRONGLY SUPPORTS PEER SUPPORT AND ASSISTANCE. WHEN PHAS SEEK SUCH ADVICE, COLLEAGUES SHOULD SHARE EXPERIENCES AND EXPERTISE. IN NO WAY SHOULD THIS BE TURNED INTO A STICK WITH WHICH TO BEAT OR INTIMIDATE PHAS. PHAS SHOULD FEEL COMFORTABLE SEEKING BOTH CERTIFICATION AND PEER ASSISTANCE. IF A PHA VOLUNTARILY REQUESTS ACCREDITATION IN ORDER TO OPERATE UNDER SIMPLIFIED HUD PROCEDURES, FAILURE TO ATTAIN SUCH ACCREDITATION OUGHT NOT RESULT IN NEW PENALTIES. PEER ADVICE SHOULD BE PROVIDED TO EVENTUALLY PASS SUCH MUSTER. NEW PENALTIES WOULD ONLY SCARE OFF PHAS SEEKING ACCREDITATION AND PEER ADVICE.

THE ADMINISTRATION'S PROPOSED ELIMINATION OF THE FARMERS HOME ADMINISTRATION IS NOT A CONSOLIDATION BUT RATHER AN ELIMINATION OF CONSIDERABLE HOUSING ASSISTANCE. NOTE THE WISDOM OF CUTTING HUD STAFF BY TEN PERCENT, CLOSING A NUMBER OF FIELD OFFICES WHILE REQUIRING HUD TO ADOPT AND MAINTAIN A NATIONAL RURAL HOUSING PROGRAM. HUD IS UNFAMILIAR WITH FMHA PROGRAMS AND COMMUNITIES. FORCING RURAL AND URBAN HOUSERS TO COMPETE FOR FEWER FUNDS DENIGRATES BOTH, ASSETS NEITHER. RURAL COMMUNITIES ARE CORRECT IN

FEARING THIS PROPOSAL WILL LEAVE THEM UNATTENDED. CITIES SHOULD INDEED FEAR FOR THEIR ALREADY DRASTICALLY REDUCED FUNDING.

RURAL AMERICA CONTAINS MANY OF OUR VERY POOR AND WE COMMEND HR 1 AND ITS PROGRAM TO PROVIDE FOR THESE PEOPLE LEAST ABLE TO FEND FOR THEMSELVES. IF EVER THERE WAS A GROUP DESERVING OF WASHINGTON'S ATTENTION IT IS THE LONG FORGOTTEN RURAL POOR.

IN 1983 CONGRESS PASSED LEGISLATION REQUIRING THE ALLOWANCE OF PETS IN ASSISTED HOUSING FOR THE ELDERLY. NO ONE QUESTIONS THE GOOD INTENT BEHIND THAT LEGISLATION, WE DO QUESTION WHETHER ITS IMPACT WAS EXAMINED.

IF EVER THERE HAS BEEN AN ADMINISTRATIVE NIGHTMARE, THIS PETS LAW WILL JOIN ITS RANKS. THE PETS PROVISION FAILED TO TAKE INTO CONSIDERATION THE ULTIMATE SOCIAL AND ECONOMIC COSTS OF ITS IMPLEMENTATION. INSURANCE, VERMIN, HEALTH HAZARDS, INCREASED MAINTENANCE COSTS AND LACK OF FACILITIES ARE ONLY SOME OF THE PROBLEMS NOW BEING FACED BY HOUSERS OF THE ELDERLY. WHAT DOES ONE DO WHEN MOST TENANTS DETEST PETS WHILE A SMALL MINORITY WISH TO HAVE THEM? HUD IS NOT PROVIDING ADDITIONAL FUNDS FOR GROUNDS AND INTERNAL MAINTENANCE. NOT SURPRISINGLY, HUD RECEIVED 2,664 COMMENTS IN RESPONSE TO ITS 1984 REQUEST FOR RECOMMENDATIONS. 2,297 OPPOSED THE PETS LAW IN ITS ENTIRETY. PHA/DA STRONGLY URGES CONGRESS TO RETRACT THIS LEGISLATION AND PERMIT INTERESTED PARTIES TO PRESENT THEIR ARGUMENTS AND CONCERNS AND THEN ADOPT A WORKABLE LAW FOR ENSURING THE COMPANIONSHIP OF PUBLIC HOUSING'S ELDERLY. WHILE MANY AT FIRST THOUGHT THIS AN INNOCENT PROPOSAL, FACTS NOW BEAR OUT THE SERIOUSNESS, DIFFICULTY AND COST OF IMPLEMENTING THIS LAW.

FINALLY, PHA/DA IS NOW PREPARING A PAPER DETAILING PRECISE MECHANISMS FOR FURTHER IMPROVING MANY OF THE PROGRAMS DISCUSSED IN THIS TESTIMONY AND IN HR 1. THE PAPER WILL ALSO PROVIDE INNOVATIVE IDEAS FOR INEXPENSIVE HOUSING DEVELOPMENT. ALL MEMBERS OF THE SUBCOMMITTEE WILL RECEIVE THIS STRATEGIES PAPER WITHIN THE COMING WEEKS. WE FEEL THE PAPER WILL PROVIDE MUCH FUEL FOR THOUGHT REGARDING EXISTING HOUSING ACTIVITIES AND NEW MEANS FOR ADDRESSING THE NATION'S FUTURE HOUSING NEEDS.

THE PUBLIC HOUSING AUTHORITIES DIRECTORS ASSOCIATION IS APPRECIATIVE OF THE OPPORTUNITY TO PRESENT THESE VIEWS AND IS EAGER TO WORK WITH DEMOCRATIC AND REPUBLICAN ALIKE TO ADDRESS OUR MUTUAL CONCERNS.

THANK YOU.

Chairman GONZALEZ. Thank you very much, Mr. Nicholson.

I know you have a time situation, you said.

Mr. NICHOLSON. I have about 30 more minutes, yes.

Chairman GONZALEZ. All right. I will recognize Mr. Carper, and then I will make some observations, and then I might have a question.

Mr. CARPER. Thank you for your testimony, Mr. Nicholson. I would just like to ask a question. There is a growing sentiment here on Capitol Hill to attack, for the most part, budget deficits by holding level current spending in programs to, in essence, not increase spending for any program, for the most part not cut very dramatically the spending in any program.

If we were to maintain our current level of spending in housing programs, Federal housing programs, would you recommend any shifting in priorities as to how we might adjust, adding or subtracting within that overall housing appropriation, where we might put some of the emphasis and in some places take away some of it?

Mr. NICHOLSON. That's extremely difficult to do, Mr. Carper. You wind up on somebody else's turf.

Mr. CARPER. Well, give it a shot.

Mr. NICHOLSON. For instance, if you shift all of the emphasis away from new incremental housing assistance, such as the administration proposes, and put all of the money in management, directed at management solutions, you deny the reality that there is a great need for additional public housing in the Nation.

At the same time, if you take money away from the CIAP Program and money away from the operating subsidy funds that most housing authorities need so desperately, and shift it into development, you let the existing stock deteriorate to the point where it may not ever come back.

So to answer your question, sir, I don't have an answer to that one.

Mr. CARPER. I want to ask you to think about it, and I didn't know that you would have an answer today. I think that's ultimately where we're going to come down, basically working with the same pot of money in almost every program, and to the effect that we make any changes, to make them within the margins, to the extent that you work in the field and have probably forgotten more about these programs than most of us are likely ever to know, I think.

Mr. NICHOLSON. I have been around, sir.

Mr. CARPER. I think you could probably add something to the decisionmaking process.

Mr. NICHOLSON. Thank you.

Mr. CARPER. Again, thank you for being here today.

Chairman GONZALEZ. Thank you, sir.

Mr. Nicholson, on some of the recommendations you've made, those recommendations follow the adoption of some parts of what now is law. By way of amendments, the subcommittee never really went along, for the reasons you well stated. A couple of those were floor amendments, and they became emotional issues, like pets for the elderly. Well, we had not wanted to legislate in that area any more than we wanted to legislate in that area with respect to smoking in the public housing authority.

However, that was not the will of the House when the amendment was offered on the House floor. As to the other things that you feel should be repealed. Those came by way of compromise with the other body in the final result of what turned out to be the conference committee results. So essentially I think the subcommittee had been in very close contact with your organization, public housing directors, and administrators. But I did want to point out that your major recommendations were something that the committee as a committee had been in agreement with to begin with.

But we certainly want to thank you for your presence and for your contribution, Mr. Nicholson. I know you have traveled a good distance here, and it's very much appreciated, and it will be very, very helpful to us.

Mr. NICHOLSON. Thank you, Mr. Chairman.

Chairman GONZALEZ. We next recognize Mr. Chico and thank him for his patience as well. And we're delighted that my colleague could remain here because we have had in the past trouble in getting witnesses to come in. In fact, one of our witnesses this morning was to be Mr. George Nolan, but he was snowed in. And so we very seldom have had the opportunity to bring the witnesses and have a hearing on this aspect, that's very important, that this subcommittee has been very sensitive to, and that's what is known as the Program for Indian Housing.

So without any further ado, Mr. Chico, let me thank you for being present, and we recognize you at this point.

STATEMENT OF WAYNE CHICO, CHAIRMAN, NATIONAL AMERICAN INDIAN HOUSING COUNCIL, SELLS, AZ

Mr. CHICO. Thank you, Mr. Chairman. Mr. Chairman, and members of the Housing and Community Development Subcommittee of the House Banking, Finance and Urban Affairs Committee, my name is Wayne Chico, chairman of the National American Indian Housing Council. I am pleased to appear before you today to testify on H.R. 1 and, more specifically, Indian housing.

I would like to take this opportunity to express NIAC's sincere appreciation to the members of this subcommittee, and especially to the chairman, Mr. Gonzalez, for your continued support and commitment to Indian housing. I commend the chairman for sponsoring H.R. 1, the Housing Act of 1985.

Chairman GONZALEZ. Thank you.

Mr. CHICO. While the administration and others are advocating the end to assisted housing, this legislation represents the commitment from the Federal Government that is needed to continue the unified effort to help meet the rising unmet housing need in Indian country.

Today I wish to express my great concern on the future of Indian housing. The administration has continually recommended the zeroing-out of this program, one that in many areas is the only viable housing program in existence. While States are facing the same fate in Indian country if assisted housing is ended, there is no other avenue to pursue for funding.

Many tribes do not tax individuals, do not have land taxes, and have no economic development to help generate funding to main-

tain a local housing program. The administration continues to ask agencies to begin to use the existing housing stock to house the poor. Mr. Chairman, in Indian country, that housing stock has not been created. To eliminate Indian housing would cause a crisis in Indian country that may have a damaging effect that could never be reversed.

The National American Indian Housing Council objects to the proposed cuts and the possibility of a 2-year moratorium in new construction in Indian housing, for the following reasons: One, approximately 90,000 Indian families are in need of substantial housing assistance of some kind. In 1970 this figure was 63,000 families.

Two, of the 149,227 existing Indian homes, 56,300 are in substandard condition, with 31,395 of these needing major renovation to be brought up to standard, and 24,905 needing complete replacement.

Three, a total of 58,002 new houses need to be built to meet 1984 needs for homes on reservations.

Four, 33,097 Indian and Alaskan Native families are homeless, most of whom are too poor or from too small a tribe to benefit from any housing program except the BIA Housing Improvement Program, which is a rehab program but is very small.

Meanwhile, the trend in appropriated Indian housing units since 1981 has declined steadily, while the needs continue to rise; 2,400 units in fiscal year 1981 from 6,000 originally proposed, 2,160 units in fiscal year 1982 from zero proposed, 2,000 units in 1983 from zero proposed, 2,500 units in fiscal year 1984 from the 2,500 proposed, and 2,000 units in fiscal year 1985 from 2,500 proposed again.

Complicating the severe need for adequate housing are the unique social, economic, and legal factors affecting Indian people. These require original solutions to their housing problems and include: One, the federally protected trust status of Indian land which prohibits its alienation, encumbrance, or taxation;

Two, the cultural, legal, and geographical diversity of the various Indian tribes;

Three, the lack of stable economies and the high incidence of poverty among Indians;

Four, the multiplicity of Federal agencies presently involved in the delivery of Indian housing;

Five, the security risks presented by Indian land status, which makes private mortgage financing and mortgage insurance programs unavailable to Indians regardless of income;

Six, the refusal of Indian people to jeopardize the trust status of their lands and the importance of the Indian land base to the economic, cultural, and political survival of these tribes.

Mr. Chairman, the Indian population has doubled in the last decade, and the median age is between 20 to 25 years. This indicates that there will be an ever-increasing demand for housing in the coming years. I urge the subcommittee to reject the administration's recommendations to zero out Indian housing, and to provide adequate funding for existing programs to deal with the unmet housing needs.

The National American Indian Housing Council supports H.R. 1, the Housing Act of 1985, which has included 3,000 units of Indian

housing. Mr. Chairman, I ask the subcommittee to consider the following recommended amendments to H.R. 1:

Delete the Indian Housing Program from the new income limits, 95-5 rule requirements, published May 21, 1985, the Housing Act of 1983, because of a failure to provide a notice of comment opportunity and in order to implement the new income limits for Indian housing would cause a no-win situation.

In order to implement this new income requirement in the Mutual-Help Home Ownership Program, housing authorities would violate part 905.406, selection of mutual-help home buyers, which states, a family shall not be selected for mutual-help housing unless, in addition to meeting maximum income limits and other requirements for admission, the family is able to meet all obligations of the mutual help and occupancy agreement, such as maintenance, utilities, mutual-help contribution, administration charge, thereby causing a conflict with the 95-5 rule and the part 905.406.

Two, the recapture and reuse of Indian housing units should stay within the Indian Housing Program. Housing authorities do not object to projects being recalled because they cannot be built, but the feeling is unanimous that the recalled units should be assigned to other Indian housing authorities that can get the units built.

Three, since 1981 the housing allocations have averaged about 2,400 units for Indian housing while 58,002 units are needed just to meet the 1984 housing needs. We strongly object to the withholding of units for the Secretary's discretionary fund in Indian housing.

Indian housing units have been far below the required amount, and we are against any units being withheld by the Secretary at a time when all units should be distributed yearly.

Four, remove the 30-percent contribution to rent requirement for Indian housing. The implementation of this rule has caused a great financial burden on Indians living in rental housing. Indian people are being subjected to high rental payments that far exceed any form of fairness. As stated earlier, the existence of other housing stock is not available, so these people hit hardest by the 30-percent rule have to either bear the burden or return to substandard housing.

Mr. Chairman, for all of the above reasons, I urge you to move on the successful passage of this legislative proposal and hope the subcommittee will consider the recommended amendments to H.R. 1. Your continued support of Indian housing is very much appreciated.

Thank you.

Chairman GONZALEZ. Thank you, Mr. Chico, for an excellent and succinct, to the point statement. Very valuable, very good.

[Mr. Chico's prepared statement, with attachment, on behalf of the National American Indian Housing Council, follows:]

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NATIONAL AMERICAN INDIAN HOUSING COUNCIL

WAYNE CHICO, CHAIRMAN
P. O. BOX 776 • SELLS, ARIZONA 85634

(602) 363-2202

(702) 882-1786 (MESSAGE)

TESTIMONY

OF

WAYNE CHICO

BEFORE THE

SUBCOMMITTEE ON

HOUSING AND COMMUNITY DEVELOPMENT

OF THE

BANKING, HOUSING AND URBAN AFFAIRS COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

Mr. Chairman and Members of the Housing and Community Development Subcommittee of the House Banking, Finance and Urban Affairs Committee, my name is Wayne Chico, Chairman of the National American Indian Housing Council. I am pleased to appear before you today to testify on H.R. 1 and more specifically Indian Housing.

I would like to take this opportunity to express N.A.I.H.C.'s sincere appreciation to the members of this Subcommittee and especially to the Chairman, Mr. Gonzales, for your continued support and commitment to Indian Housing. I commend the Chairman for sponsoring H.R. 1 "The Housing Act of 1985."

While the Administration and others are advocating the end to assisted Housing, this legislation represents the commitment from the federal government that is needed to continue the unified effort to help meet the rising unmet housing need in Indian Country.

Today I wish to express my great concern on the future of Indian Housing. The Administration has continually recommended a zeroing out of this program. One that in many areas is the only viable housing program in existence. While States are facing the same fate, in Indian Country if assisted housing is ended there is no other avenue to pursue for funding. Many tribes do not tax individuals, do not have land taxes and have no economic development to help generate funding to maintain a local housing program.

The Administration continues to ask agencies to begin to use the existing housing stock to house the poor. Mr. Chairman, in Indian Country that housing stock has not been created. To eliminate Indian housing would cause a crisis in Indian Country that may have a damaging effect that could never be reversed.

The National American Indian Housing Council objects to the proposed cuts and the possibility of a two (2) year moratorium on new construction in Indian Housing for the following reasons:

1. Approximately 90,000 Indian families are in need of substantial housing assistance of some kind. In 1970 this figure was 63,000 families.
2. Of the 149,227 existing Indian homes 56,300 are in substandard condition with 31,395 of these needing major renovation to be brought up to standard and 24,905 needing complete replacement.
3. A total of 58,002 new houses need to be built to meet 1984 needs for homes on reservations.
4. 33,097 Indian and Alaskan Native families are homeless, most of whom are too poor or from too small a tribe to benefit from any housing program except the B.I.A Housing Improvement Program (H.I.P.).

Meanwhile the trend in appropriated Indian Housing Units since 1981 has declined steadily while the needs continue to rise:

- 2,400 Units in FY '81 (from 6000 originally proposed units)
- 3,160 Units in FY '82 (from zero proposed units)
- 2,000 Units in FY '83 (from zero proposed units)
- 2,500 Units in FY '84 (from 2,500 proposed units)
- 2,000 Units in FY '85 (from 2,500 proposed units)

Complicating the severe need for adequate housing are the unique social, economic and legal factors affecting Indian people. These require original solutions to their housing problems, and include:

1. The federally protected trust status of Indian land which prohibits its alienation, encumbrance, or taxation.
2. The cultural, legal and geographical diversity of the various Indian tribes.
3. The lack of stable economies and the high incidence of poverty among Indians.
4. The multiplicity of federal agencies presently involved in the delivery of Indian housing.
5. The security risk presented by Indian land status which makes private mortgage financing and mortgage insurance programs unavailable to Indians regardless of income.

6. The refusal of Indian people to jeopardize the trust status of their lands, and the importance of the Indian land base to the economic, cultural and political survival of the tribes.

Mr. Chairman, the Indian Population has doubled in the last decade and the median age is between 20-25 years. This indicates that there will be an ever increasing demand for housing in the coming years. I urge the Subcommittee to reject the Administration's recommendations to zero out Indian housing and to provide adequate funding for existing programs to deal with the unmet housing needs.

The National American Indian Housing Council Supports H.R. 1, "The Housing Act of 1985," which has included 3,000 units of Indian Housing. Mr. Chairman, I ask the Subcommittee to consider the following recommended amendments to H.R. 1:

1. Delete the Indian Housing from the New Income Limits, 95-5 rule requirements published May 21, 1985, "Housing Act of 1983" because of a failure to provide a Notice of Comment opportunity (argument to support this attached to testimony) and that in order to implement the new income limits for Indian Housing would cause a no-win situation. In order to implement this new income requirement in the Mutual-Help Homeownership Program Housing Authorities would violate Part 905.406, selection of Mutual-Help Homebuyers which states "a family shall not be selected for Mutual-Help Housing unless in addition to meeting maximum income limits and other requirements for admission, the family is able to meet all obligations of the Mutual-Help and Occupancy Agreement such as maintenance, utilities, Mutual-Help Contribution, Administration Charge." Thereby causing a conflict with the 95-5 rule and Part 905.406.

2. Recapture and the Reuse of Indian Housing Units should stay within the Indian Housing Program. Housing Authorities do not object to projects being recalled because they cannot be built, but the feeling is unanimous that the recalled units should be assigned to other Indian Housing Authorities that can get the units built.

3. Since 1981 the housing allocations have averaged about 2,400 units for Indian Housing while 58,002 units are needed just to meet the 1984 housing needs. We strongly object to the withholding of units for the Secretary's Discretionary Fund. Indian housing units have been far below the required amount and we are against any units being withheld by the Secretary at a time when all units should be distributed yearly.

4. Remove the 30% requirement for Indian Housing . The implementation of this rule has caused a great financial burden on Indians living in Rental housing. Indian people are being subjected to high rental payments that far exceed any form of fairness. As stated earlier the existence of other housing stock is not available so these people hit hardest by the 30% rules have to either bare the burden on return to substandard housing.

Mr. Chairman, for all of the above reasons I urge you to move on the successful passage of this legislative proposal and hope the Subcommittee will consider the recommended amendments to H.R. 1.

Your continued support in Indian Housing is very much appreciated.
Thank you.

TO: NATIONAL AMERICAN INDIAN HOUSING COUNCIL
 FROM: BARRETT & HANNA
 RE: RESPONSE TO REQUEST OF JOHN MEARS

ISSUES FOR PRESENTATION TO HUD

1. Was the Final Rule issued by HUD on May 21, 1984 invalid with respect to Indian Housing programs for failure to provide a notice and comment opportunity to persons whose interests are vitally affected?

Yes. The Rule was promulgated in an invalid procedure, and should be withdrawn and republished as a proposed Rule with respect to Indian Housing for a proper notice and comment period.

The May 21 Rule was issued in "final" without a formal notice and comment period because many of its provisions had previously been issued as proposed rules (e.g., the income limits Rule of December 29, 1982) and because the 1983 Act was in HUD's opinion nondiscretionary. These reasons, even assuming they are valid as to Public Housing, are invalid as to Indian Housing.

First, the December 29 proposed Rule explicitly did not apply to Mutual Help Indian Housing (Section 813.105(d)), in part based on Section 203 of the 1974 Act. Although the May 21 Rule states that one of its objectives is to achieve uniformity in the rules governing Section 8 and Public Housing (including Indian Housing) "as contemplated by the 1981 Amendments" (May 21, 1984 F.R. at 21477), this "uniformity" with regard to Indian Housing was not published for comment with the rest of the regulations implementing the 1981 Amendments.

Second, HUD has since stated that it nonetheless feels bound by the dictates of the 1983 Amendments to include Indian Housing, because those Amendments (principally the 95-5 Rule) are nondiscretionary. The 1983 Amendments do not specifically include Mutual Help, or Indian Housing in general. As will be more fully explained below, this creates a presumption that they do not apply. If there is a question, then at the very least HUD is obligated to give the public an opportunity to comment under the Administrative Procedure Act.

A classic case in this regard which has many parallels to the present situation is Morton v. Ruiz, 415 U.S. 199 (1974). In that case, the Bureau of Indian Affairs attempted to implement what it perceived to be clear Congressional intent regarding restrictions on an Indian benefits program without first publishing the rules under the APA. The Supreme Court held, inter alia, that while an agency has the power to implement regulations consistent with Congressional intent, even assuming such consistency in this case the regulations had to be published pursuant to the APA or they were invalid as ad hoc and arbitrary. Id. at 211-33.

Therefore, the May 21 Rule should be retracted and republished for a proper notice and comment procedure. This will not only permit substantive comments as to how the Rule will impact the Mutual Help program, it will provide an opportunity for clarification of Congressional intent.

2. Is Mutual Help Housing subject to the 95-5 Rule under the 1983 Amendments?

No. Indian housing in general, and the Mutual Help housing program in particular are intended for the specific and special benefit of the Indian people, and such a benefit cannot be altered or taken away absent specific Congressional declaration of purpose.

The special relationship between Indians and the Federal government is well established in the law. The government has an overriding duty to deal fairly with Indians. Morton, supra at 236. There exists a special trust relationship with the government, equivalent to that of a guardian and a ward, which entitles Indians to special protection. E.g., U.S. v. Mitchell, 103 S. Ct. 2961 (1983); Pechanga Band v. Kacor Realty, 680 F. 2d 71 (9th Cir. 1982).

As a consequence, any statute regarding benefits for Indians must be liberally construed in favor of the Indians and any doubt as to proper construction is to be resolved in their favor. E.g., Three Affiliated Tribes of Fort Berthold Reservation v. Wold Engineering, 104 S. Ct. 2267 (1984); Santa Rosa Band of Indians v. Kings County, 532 F. 2d 655 (9th Cir. 1976); Rockbridge v. Lincoln, 449 F. 2d 567 (9th Cir. 1971).

As previously noted, the 1983 Amendments do not specifically state that they apply to Mutual Help housing, a program for the exclusive and specific benefit of Indians. At the very least, there is therefore an ambiguity as to congressional intent. Moreover there are express indications of Congressional intent to the contrary. HUD has previously been provided with a letter to Senator Garn from fourteen Senators stating their position that the 1983 Amendments did not apply to the Mutual Help program. Senator Garn forwarded that letter to the Secretary with the comment that Mutual Help housing should be exempt. Further, in floor comments to the 1984 technical Amendments, Chairman St. Germain expressed his Committee's view that the Mutual Help program is not subject to the income limits or the 95-5 Rule, that imposing such restrictions would destroy the program and that clarifying legislation had not been included in the bill only because the Committee believed HUD intended to address this issue administratively. Cong. Rec. of September 11, 1984, at H 9319.

3. Should the new income limits Rule be applied to Mutual Help housing?

No. Even assuming that the 1983 Amendments apply to Mutual Help housing and the regulations were validly promulgated under the APA, the Secretary has the authority to exempt all of Mutual Help housing.

Section 203 of the 1974 Act expressly permits special schedules based on occupant contributions to the unit, which differ from rental units due to the ownership nature of Mutual Help housing. This statute has never been repealed. The 1983 Amendments themselves permit the Secretary to defer implementation for any special class of tenants if application of the income limits would result in extraordinary hardship. Section 206(d)(1)(B).

Mutual Help housing's status as a "special class" is well established, at the very least by Section 203 of the 1974 Act. It is a program with different goals and intent than rental housing. HUD itself used this distinction to exempt Mutual Help housing from the proposed rent calculation rule of the 1982 regulations. See Section 913.107(d) and comments, December 29, 1982 F.R. at 21483-84.

Moreover, all of Indian housing constitutes a special class of tenants. The special trust status of Indians has previously been set forth. Indian housing has historically been distinct within HUD because of the unique status and circumstances of its clientele, including their relatively greater poverty and the lack of any other housing alternatives.

A subsidiary question has been raised by HUD as to whether such a classification would constitute discrimination. This is emphatically not the case. It is legally well established that legislation or regulations giving preference to Indians are not an improper racial classification in violation of the Due Process Clause of the Constitution. Such distinctions are rooted in the unique and Constitutional status of Indians as a separate people and are supportable when in furtherance of any legitimate governmental interest. U.S. v. Antelope, 430 U.S. 641 (1977); Morton v. Mancari, 417 U.S. 535 (1974); see generally Preston v. Heckler, 734 F. 2d. 1359 (9th cir. 1984) (H.H.S. regulations regarding preference for Indians in hiring). Indeed, the entire Indian housing program would be unconstitutional but for this unique status. See St. Paul Intertribal Housing Board v. Reynolds, 564 F. Supp. 1408 (D. Minn. 1983).

4. Is the Secretary legally required to limit such an exemption (or the "high cost exception") to housing on Reservations or in "Indian Areas?"

No. Again, the unique status of Indians is such that no limitation need be applied. To the contrary, such a restriction would be illegal discrimination against non-reservation Indians absent express Congressional intent to the contrary.

For example, in Morton v. Ruiz, *supra*, the BIA attempted to limit benefits under the Snyder Act to Indians on reservations. This attempted regulation was struck down by the Supreme Court, in part because there was no express mandate from Congress to do so and historically benefits had been given to off-reservation Indians. Moreover, the BIA itself has never attempted to limit benefits to Indians in Oklahoma and Alaska, where a distinction based on "reservations" would be impossible.

Rather, such an exemption should be applied by HUD across the board. As previously noted, this would in no fashion constitute improper discrimination as to public housing, even in the same geographical areas. See U.S. v. John, 560 F. 2d 1202 (5th Cir. 1977).

Similarly, there is no legal impediment to implementing a "high cost" exception for any Indian housing authority which can justify such a need for its Indian clientele. To the contrary, limiting such exceptions to "reservations" when other IHAs can equally demonstrate an especially low income for Indians in their area, as compared to the general area median income, would constitute a geographical limitation not called for by the statute itself, and therefore be improper. Morton v. Ruiz, *supra* at 207.

In sum, the regulations should be retracted and reissued for public comment. In particular, HUD should reconsider whether the 1983 Amendments even apply to Indian housing. If HUD is uncertain in this regard, it should request Congressional clarification.

If HUD is unwilling to retract the regulations then an interim exemption to the income limits should be made for all of Mutual Help housing, at least until there has been an opportunity for remedial legislation to be considered.

Finally, if HUD insists on considering exceptions on a case-by-case basis, then such consideration cannot be limited to an arbitrary "reservation" classification, especially regarding areas such as Oklahoma and Alaska where few reservations exist.

Chairman GONZALEZ. I have two questions. By not excluding the Mutual Help Program from the rule that requires 95 percent of the area median income, HUD is virtually eliminating the largest component of the Indian Housing Program because the Indian median incomes are so low. Am I correct in that interpretation?

Mr. CHICO. Yes.

Chairman GONZALEZ. I just can't understand promulgation of this rule, unless it was a premeditated, calculated intent to do away with the program or any chance for its effectiveness.

The second question, I understand that the average cost per unit for the Indian Housing Program has been reduced from \$74,000 to about \$55,000. In your opinion, have these reductions impaired significantly the livability, the quality of the units or not? Could you please explain what these savings reflect?

Mr. CHICO. OK. When the cost reduction started to be implemented in Indian housing, we have reduced, liked you stated, Mr. Chairman, the per unit cost. I think across-the-board, housing authorities and tribes have stated up front that in no way would the savings jeopardize the unit livability itself. And I think some of the people, some of the things that have been cut out of the units, as far as amenities, whether one thing those are amenities or not, have contributed to those cost savings. The unit itself, I don't think has been jeopardized. I think the elimination of certain things that other tribes felt were important to them, and still do, and not have changed that thinking. Those were some of the things that have been eliminated, some types of master planning, looking into future projects along the road, doing some mass development, master planning, has helped reduced the cost.

Chairman GONZALEZ. How significant a role in that reduction effort were the architectural fees, for instance? Was that an issue? Things such as that, such as architectural fees?

Mr. CHICO. How significant were the elimination of these? I would say they were—in some instances, when you eliminated the carports, fireplaces, wood-burning stoves, ramadas, and in a lot of areas, these are things that are traditional to the unit or living space. They have reduced the cost. I think if there is going to be a continued downward trend of the cost savings, it is going to have to be in the revision of the time that it takes to begin a project, develop it and construct it. That would be where the most impact of any cost savings would be really substantial.

Chairman GONZALEZ. Yes. This is a fallacy of the so-called economy drive, that housing is entirely different, in that you don't turn it off and on like a water faucet. It takes time, in an Indian house, in particular, because of the remoteness of the site in many instances, and therefore, the difficulty of the transportation of the material, and all.

What I had reference to awhile ago were the professional costs, like architectural fees, architect's fees. Were they in any way significant as a problem in trying to reduce the costs?

Mr. CHICO. Yes. They contributed very much to the cost of a project. On any project, like you stated, Mr. Chairman, in my reservation, particularly, and a lot of other reservations and other Indian territories, when we develop a project, we go into areas tha'

there is absolutely no development. It's areas where there are no houses, there are no streets, there are no sewers, absolutely no utilities. And in order to develop the housing project, be it a 10-unit project or 150, 200-unit project, we have to include the development of the sanitation facilities, the electrical, and in order to do this, the expertise that is required, with architects, engineers, working in areas that are very large, does impact the cost of the development.

Chairman GONZALEZ. Yes. I was very much impressed by the part of your statement in which you referred to the absence of an economic base in the Indian lands. This is what is so difficult to convey, unless we can get enough members to go out and be present, physically, and, you know, some can say, well, here you had testimony earlier this morning—I don't know if you were present or not, Ms. Kimi Gray and the self-help spirit of the tenants. But what we take for granted is that all of the necessary ingredients are there in place, such as public utilities. They don't have to worry about installing light, gas, fixtures, or the water supply. In the Indian housing construction, you do. You also probably don't have the ability to retain your young, who might go out and train themselves and educate themselves to become architects, to come back and live where you can have in-house professional work done.

Mr. CHICO. Very true.

Chairman GONZALEZ. So these are the differences, and I'm not smart enough to know what the potential would be. I am sure that whatever potential has been there, the Indian residents have tried to capitalize on.

Mr. CHICO. Yes, sir.

Chairman GONZALEZ. Mr. Carper.

Mr. CARPER. I have no specific questions of Mr. Chico. I just want to add my thanks to you as well for being here today and for sharing your testimony. Thank you.

Chairman GONZALEZ. Thank you, sir.

Mr. Chico, we have members that couldn't be here. In fact, we had some that wanted to be here to introduce, for instance, Ms. Gray, but they themselves are chairmen of other subcommittees, and they have conflict in meetings. But every one of them is having a copy of your testimony, and some will also be submitting questions in writing later on and in time for you to examine, because you'll get a copy of the transcript of the proceedings for you to revise or modify your testimony.

I believe you had indicated you wanted to ask a question or make a statement.

Mr. CHICO. I'd just like to make a statement.

Chairman GONZALEZ. Certainly.

Mr. CHICO. You referred to Mr. George Nolan, who was unable to be present.

Chairman GONZALEZ. Yes.

Mr. CHICO. He is the director for his region to the National American Indian Council and is also a director for the Tri/State Association, consisting of 26 Indian housing authorities located in Michigan, Minnesota, and Wisconsin. Unfortunately, he wasn't able to make it.

Chairman GONZALEZ. No, we had word that he had been snowed in. But we're grateful to him, because I believe he had sent some testimony in advance anyway. So all of that will be in the record as well.

But thank you again very much for your presence and your contribution. We'll be working in very close relationship to you, because that part of H.R. 1 is one that we intend to fight very hard for.

Mr. CHICO. Thank you.

Chairman GONZALEZ. Thank you, sir.

[The referred to statement of Mr. George Nolan of the Sault Ste. Marie Tribe of Chippewa Indians Housing Authorities, on behalf of the Tri. State Association follows.]

THE SAULT STE. MARIE TRIBE OF
CHIPPEWA INDIANS

HOUSING AUTHORITY
2218 SHUNK ROAD
SAULT STE. MARIE, MICHIGAN
49783

TESTIMONY

TO: House Committee on Banking, Finance and Urban Affairs

Henry B. Gonzalez - Chairman

SUBJECT: HR-1

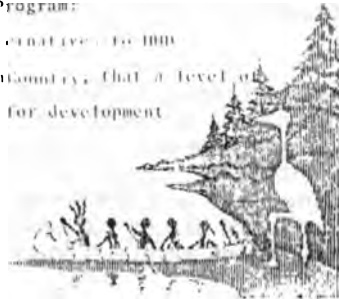
My name is George Nolan and I am the Director of Housing for the Sault Ste. Marie Tribe of Chippewa Indians. I represent and offer the following testimony in behalf of the Tri/State Association consist of twenty-six (26) Indian Housing Authorities located in Michigan, Minnesota and Wisconsin.

I would like to thank the Chairman and the Committee for the opportunity to share some concerns we have regarding Indian Housing.

First let me say that by unanimous vote, the Tri/State Association of Housing Authorities, supports H.R. - 1 the Housing Act of 1985.

We respectfully request that the following concerns be implemented under HR-1, directly affecting the Indian Housing Program:

1.) In recognition of the fact that alternative to HUD subsidizes housing is not available in Indian country, that a level of 3,000 or more units be authorized under HR-1 for development in Indian Country in FY'86, as proposed.



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2.) That the recapture and no-reuse rule, as it pertains to Indian housing units in the pipeline, be recinded to allow for recapture and reuse of the units in Indian Country as originally intended by Congress at the time the units were initially authorized. There is no justification for penalizing all Indian Housing Authorities, (of which there are far more without units in the pipeline than there are with units in the pipeline), because of the problems involved both with local units of government and within HUD, that causes undue delays in getting these pipeline units to construction. We recognize that these units cannot remain in the pipeline forever, and at some point it must be determined that a project is not going to move to construction and therefore must be recaptured. What we are seeking to keep these pipeline units in Indian Country through redistribution with Indian Country, rather than returning the recaptured funds to the treasury. The recaptured units should be reallocated within Indian Country, first within the recapture region, or in the event this is not possible, within the Indian Housing Program. There is no greater need for housing in this country than in Indian Country. Please do not penalize so many in reaction to the problems of a few.

3.) Exempt Indian Housing from the May 21, 1984 Department of Housing and Urban Development final regulations as they pertain to income limits, specifically, targeting of 95% of subsidized housing to very low-income families and 5% to lower income families. Indian Housing was specifically exempted in the initial regulations, which were drafted by those who best understand the differences between Public and Indian Housing. However, including Indian Housing in the final regulations will effectively eliminate the possibility of a home for numerous Indian families, who have no other housing alternative, due to the complications that it places on the Mutual Help Homeownership Program. This action is desperately needed in order to

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maintain the Mutual Help Program which has allowed thousands of homeless Indian the opportunity for decent, safe and sanitary housing. This is especially true in light of the current administration direction towards Mutual Help Housing development as opposed to subsidized rental housing.

4.) Require that all Indian Housing units authorized by Congress in any Fiscal Year, be entirely allocated to the Regional Offices of Indian Programs for distribution. The current policy of allowing the Secretary of HUD to retain units for specific distribution is not allowing the units to be distributed and constructed in a timely fashion in Indian Country. Consequently, hundreds of Indian families are being deprived or delayed in their quest for decent, safe, and sanitary housing.

Revise the current payment of 30% of adjusted income for rent for a HUD subsidized rental unit to the previous level of 25%. The economic conditions in Indian Country have been repeatedly documented as among the worst in the nation. In most situations, the household income of Indian families is already below the nationally recognized poverty level and yet we are requiring them to forfeit a larger portion of their meager income for basic shelter. This additional 5% of income which must now go for rent, could better be spent by the family on clothing, furnishing, home maintenance supplies, etc. We who do not have to live within the parameters of a poverty level income of \$8,000 or less, have difficulty in comprehending the problems. A very simple example to emphasize this point is to show that a family with an adjusted income of \$30,000 who pays for 30% for housing still has \$21,000 annually for sustaining the life of that family.

Whereas, a family with an income of \$8,000 who pays the same 30% for housing only has \$5,600 to sustain the same size family. What is effectively done by increasing the rent payment percentage of income for subsidized housing is to recognize the need for subsidizing

THE HOUSE
MAY 1954

HOUSE COMMITTEE ON INDIAN AFFAIRS
REPORT ON THE HOUSE BILL NO. 308
TO AMEND THE INDIAN HOUSING ACT OF 1948
AND TO REPEAL CERTAIN PROVISIONS OF SAID ACT
AND TO AMEND THE INDIAN HOUSING ACT OF 1948
AND TO REPEAL CERTAIN PROVISIONS OF SAID ACT

AS FURTHER AMENDED, AND REPORTED BY THE COMMITTEE
ON THE HOUSE BILL NO. 308
WHICH ENACTS THE INDIAN HOUSING ACT OF 1948
AS AMENDED AND TO REPEAL CERTAIN PROVISIONS OF SAID ACT
CONSISTENT WITH REASONABLE AND FAIR RACIAL RELATIONS. FURTHER, WE WOULD REQUEST AT THIS
TIME THAT CONGRESS RECOGNIZE THE SUBSTANTIAL AND MUTUAL INTERESTS BETWEEN
PUBLIC AND INDIAN HOUSING AND REPEAL THE PROVISIONS OF SAID ACT WHICH
WOULD SEPARATE INDIAN HOUSING FROM THE OTHER HOUSING PROGRAMS WHICH THE GOVERNMENT IS CURRENTLY DEVELOPING TO
IDENTIFY AND ADDRESS THE HOUSING NEEDS OF INDIAN PEOPLE, IN THE TRUE SPIRIT
OF THE GOVERNMENT TO GOVERNMENT RELATIONSHIP BETWEEN THE UNITED STATES
GOVERNMENT AND ALL INDIA TRIBES. CONSULTATION BY CONGRESS WITH THE U.S.
OFFICE OF INDIAN PROGRAMS SPECIAL COMMITTEE ON INDIAN AND ALASKA NATIVE
HOUSING COULD PRODUCE A MUTUALLY ACCEPTABLE PROGRAM.

Chairman GONZALEZ. Mr. Chico, Mr. Roth has asked that the following questions be submitted to you and that you supply responses for the record.

Question. I understand present HUD policy under the Public Housing Development programs is that if units are not developed within a specified time period, the project is cancelled and the funds are recaptured. I further understand that this recapture policy does not apply to the Indian housing programs. I assume, due to the unmet need for Indian housing units, HUD is more lenient with respect to cancelling Indian housing project reservations.

You both indicate that funds that are recaptured should be redistributed among those Indian housing authorities which can produce the units. I believe this would require congressional action to allow the reuse of such funds.

If this were to be allowed, what would be a reasonable time to allow the Indian housing authority to get the project developed from the time the funds are assigned?

Answer. Mr. Roth, while it is true the housing need in Indian country is far from being met, the policy of recapture by the Department of HUD applies to the Indian Housing Program as well.

As I stated in my testimony, the Indian Housing need is continuing to rise while the housing allocations have decreased since 1981. This makes any loss of units to Indian country devastating. The National American Indian Housing Council can see no reason why projects that have absolutely no chance of getting constructed should not be recalled. But because the need is still so great, we recommend redistribution of these units to other areas of Indian country. We understand this would require a legislative amendment to the current program and I have so recommended in my testimony.

An allowable time would be the same timeframe we are currently under. That would be 1 year after program reservation is approved to get the project out to bid and awarded.

Question. In view of the estimated 12,000 units in the Indian housing pipeline, what recommendations would you have to expedite the process?

Answer. In regards to the pipeline, as stated earlier in other presentations today, the pipeline is a natural flow of the current H.U.D. development program.

While it is true that there are 12,000 units in the development pipeline I think it is important to note that these are 12,000 units in various stages of development. They are in either program reservation, planning, design, advertising for bid, construction, final or closing stages. Everyone of these stages are a part of the flow of getting housing units built.

Of the 12,000 units in the Indian Housing pipeline we are actually talking about 2,400 units that could face the possibility of recapture.

The best recommendation to help expedite the pipeline would be in time savings. The biggest factor in the present program is the review time that has to be allowed and the approval time. If the process could be shortened on reviews and project approval could be obtained in a expedited manor. This could help save much time during the planning of a project. Also many housing authorities have the ability to handle more of the development work and if H.U.D. would allow more flexibility to these authorities it could save many hours during the completion of a project.

Mr. Roth the Secretary's Committee on Indian and Native Alaskan Housing is compiling these types of recommendations and I would be happy to forward you a copy of these once they are finalized, at your request.

Question. Given the need to reduce the Federal deficit, what is the minimal amount of units that would be necessary for additional Indian housing units?

Answer. Mr. Roth, the Public Housing Program along with Indian Housing has been cut 65 percent since 1981. Nowhere has the effect been so total than in Indian Housing.

As I stated in my testimony the need will continue to grow and the minimum amount that would be acceptable would be no less than the 3,000 units included in H.R. 1.

[The following mailgram from the Sakaogon Chippewa Community, in support of H.R. 1, was received for inclusion in the record:]

975

80KAD80N CHIPPEWA COMMUNITY BY
PO BOX 106
CRANDON MI 54520 28AM

Western
Union **Mailgram** 

4-0204158059 02/28/85 ICB 1PMHTZZ CDP MH88
7144782001 MGNB TDMT CRANDON MI 36 02-28 0100P EST .

MAR 1 1985

CONGRESSMAN GONZALES
2129 RAYBURN HOUSE OFFICE BLDG
WASHINGTON DC 20515

80KAD80N CHIPPEWA COMMUNITY TRIBE AND HOUSING AUTHORITY SUPPORT
HOURING BILL HR1 FOR 3,000 INDIAN HOUSING UNITS TO BE INCLUDED
ARLYN ACKLEY, CHAIRMAN
ARLYCE SPARKS EXECUTIVE DIRECTOR

13401 EST

MGNCOMP

TO REPLY BY MAILGRAM MESSAGE. SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

Chairman GONZALEZ. The subcommittee will be in adjournment until tomorrow morning at 9:30 in this hearing room.
[Whereupon, at 1 p.m., the hearing was adjourned.]

HOUSING ACT OF 1985

WEDNESDAY MARCH 6, 1985

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
Washington, DC.

The subcommittee met at 9:30 a.m. in room 2128 of the Rayburn House Office Building, Hon. Henry B. Gonzalez (chairman of the subcommittee) presiding.

Present: Representatives Gonzalez, Oakar, Garcia, Carper, McKinney, and Wylie.

Chairman GONZALEZ. The subcommittee will please come to order.

The Subcommittee on Housing and Community Development's hearing today will focus on the continuing issue of homelessness, and on the issue of whether or not we continue Federal programs to provide housing for the elderly and the handicapped citizens.

We have a long witness list. I urge that everyone of us be as brief as possible so that we can expedite the business.

Our first panel dealing with homelessness was to have Rev. Vin Harwell, who is a Presbyterian pastor in Northern Virginia, who has organized a number of suburban churches to provide shelter for the homeless who live in their communities; he will be unable to testify because of illness.

That leaves us with a very old and very cherished friend, Mr. Mark Talisman who, as many of us know, is the director of the Washington Action Office of the Council of Jewish Federations.

Mark will be speaking as a member of the National Board of the Federal Emergency Food and Shelter Program, which has been charged with the responsibility of allocating Federal funds for emergency food, and shelter assistance for homeless people.

In my opinion, Mr. Talisman is largely responsible for providing the spirited response and the speed in allocating these emergency funds to hundreds of communities and groups across the country providing assistance for our homeless citizens.

Following Mr. Talisman we will go immediately to a panel of witnesses representing various Jewish organizations involved in our housing for the elderly programs and at that time I would ask Mark to remain to introduce them to the members of the subcommittee.

So you may proceed, Mark—or Mr. Talisman—as you may see fit.

STATEMENT OF MARK E. TALISMAN, DIRECTOR OF THE WASHINGTON ACTION OFFICE, COUNCIL OF JEWISH FEDERATIONS, MEMBER, NATIONAL BOARD OF THE FEDERAL EMERGENCY FOOD AND SHELTER PROGRAM

Mr. TALISMAN. Thank you very much, Mr. Chairman and members of the subcommittee.

I'm Mark Talisman and I've been privileged to serve as a member of the National Board of the Federal Emergency Food and Shelter Program, which was created originally by Congress and came into being in March 1983.

I think I will submit the testimony that I've developed as if read if it's all right with the chairman.

Chairman GONZALEZ. Certainly, without objection, it will be so done.

Mr. TALISMAN. I think the most important things—the facts we need to know—for a discussion of this sort are that there aren't enough shelters for the homeless right now and the problem is dramatically rising.

Fortunately, the Congress asked that our National Board develop a study for you and that study is just about complete and will be complete well in advance of the completion of your hearings and will be very useful, in my judgment, for the work that you want to do in regard to the homeless in the United States.

The preliminary results are in but to be fair to all the parties involved we want to make sure that we do not release them quite at the moment until we've gone over them and made sure they're absolutely accurate. We have found in this business in the last 2 years, as volunteers in this effort, that statistics somehow seem to fly around and they need to be checked very carefully so that everyone's accurate.

Just as a summary for you all, Public Law 98-8 was the fiscal year 1983 urgent supplemental appropriations bill that created this effort. Your own staff director, Gerry McMurray, was one of the people in the room at the creation, along with a lot of other hard-working people on the Hill, and the expedition with which all of this was accomplished was rather amazing and—to this moment I have to tell you as an individual, one of the Board members involved, I know now an affirmation of the volunteer spirit in America because of what has happened with this legislation. What happened was that you asked that a number of representatives of national philanthropic groups sit on a board, not for pay at all—there is no way that anyone can be paid for what we did—it is an absolute joy to see how people have worked together across the United States.

Robert Beggan, a senior vice president of United Way of America; Lt. Col. Ernest Miller, who has been before your committee several times is the national affairs director for Salvation Army; Bro. Joseph Berg, the associate director for special programs at National Catholic Charities; Mary Anderson Cooper, the assistant director of the Washington Office of the Council of Churches; Enzo Biginatti of the American Red Cross; and me, join Dennis Kwaitkowski, who is the Chief of Individual Assistance at the Federal

Emergency Management Administration [FEMA], to do all of this function, backed up by an incredible group of staff.

We all meet very frequently and the task at hand overall was to deal with the allocation of \$210 million in the aggregate for the purposes of emergency shelter and feeding.

The notion behind this, as the Congress agreed with us, is that there is an enormous engine out there of the private, independent sector—the so-called philanthropic sector. I'm not going to say charity, Mr. Chairman and members of the committee, because in the Hebrew tradition there is no word for charity and it doesn't fit. There is a word called *tzadaka*, which means righteousness and justice which is what all of this is about and I think what you're doing in regard to your legislation.

The kind of problem that was faced is such an enormous problem in regard to emergency shelter and the related problem of emergency feeding that I want to say something very plainly at the beginning to the committee lest you think that this amount of money and the program that I'm going to describe means a twiddle in regard to the national problem. And that is that because the program exists so many people want to lay on its shoulders the solution for the entire problem of sheltering—emergency sheltering—and the problem of emergency feeding. And I have to tell you it's nothing but a light mist when a torrential rain is required.

The most difficulty I have as a national board member to have people understand that this program can only be considered a Band-Aid at best, even though the results are spectacular. And all it does is demonstrate the level of commitment that we really must make in regard to solving the problem of sheltering—emergency sheltering and feeding—not that this program is by any means a solution.

And I have to tell you I would sit here today in this same seat and advocate the program's abolition lest anyone think this is the solution. That's how strongly I feel about being self-delusory about a program that is wonderful, that works because everybody pulled together. We need about 15 to 20 times the amount of money involved in this program to really begin to deal with the problem of emergency shelter, long-term sheltering needs, and feeding problems throughout America.

So we dealt in the aggregate thus far with \$210 million of appropriated funds by your body. Your committee has been absolutely incredible in regard to the support of the activity.

Now, a quick run of the statistics. It'll be machinegun but it is included in my testimony which you have before you. These are real important because yours is the first opportunity we've had to talk out loud about this program because we've been too busy doing the program and we're not particularly interested in publicity as much as we are in results.

Nearly 3,000 civil jurisdictions were chosen in which groups were chosen to reflect local private independent sector groups, that is, groups that normally do these kinds of activities. Because we felt that if we could find in the civil jurisdictions groups that were willing at low and no administrative overhead to be able to get the money out to the people that needed it the best—and the services—

that we would then demonstrate what we felt could be done in America.

Over 12,900 local service organizations receive national board funds that were appropriated by Congress for the expansion of feeding and sheltering. And what that means is that one of the rules that was established in the development of this program was we simply couldn't have this money go out to establish new programming because new programming is very expensive. What we hoped we could do is help groups expand that which they were doing already in critical ways and, in fact, that has worked.

The vast majority of these organizations are voluntary agencies. Public agencies were not eligible for these funds until the last round of congressionally appropriated money.

I'm going to tell you a statistic that I have to tell you as a board member I didn't want to believe because, having worked up on the Hill for a number of years statistics tend to be thrown around too freely.

I had hoped that we took nickels and helped groups make them into dollars in service terms, that larger and larger numbers of meals would be served and larger numbers of nights of lodging would be provided.

In fact—and this is a very conservative number that has been tested any number of ways—over 85 million meals were served during the first two rounds of the funds alone, not including the last \$70 million appropriated by your body. And the average costs of those meals was 70 cents per meal.

Given the Rayburn cafeteria standards that I lived under since creation of the bill at this building, I'm also suspicious of per meal costs. In fact, this is a real figure. And the reason it's a real figure is that when you allow groups to have the additional funds to add on to that which they are doing, the mashed potatoes can be extended and the chicken can be extended and the per unit cost goes down dramatically, which is exactly what we found.

But let me tell you another problem. We sit here as a Board, the Board that I mentioned to you—tomorrow, for example, we have a Board meeting—and you become real religious in this function because you're asked by communities all over America to make decisions. And they're not normal decisions.

Last meeting, we got a request from a rural county in Mississippi for an exception because there are certain basic rules we had to establish, which I will leave with you. We tried to have them be *de minimis* because nobody likes regulations and they encumber people from getting things done fast. On the other hand, we have a responsibility to you to make sure the money is spent properly.

What is the request? The request is can we spend some of the food money—I think it was something in the neighborhood of what, \$6,000—to buy seed, vegetable seeds, which they said would guarantee to produce \$4,800 in vegetables which they then would be able to cook and prepare themselves and with a compressor on a mobile van in that vast county they live in, they could bring the food around and keep it chilled to make sure there was no kind of disease or any kind of spoilage of the food. And, in fact, I want you to know it worked last year.

On the other hand, we were also asked for another exception, and you figure out how to be wise and Solomonic about this. They asked for an exception in another county to allow us to use some of the food money to be able to buy pharmaceuticals because in their considered judgment and as a local board, their local recipient agencies said that there was no way people could ingest food, in the cases they were getting, without the medicine to allow their body to function.

Now, I don't know what the answer to that is. I know I had sleepless nights over it. And I didn't have the bright answer for it. And I want you to know we couldn't do it because the collective judgment is that \$50 million that was given by Congress is not an everything program. You can't do everything with it.

We could take the money you gave us and we could give it to New York City properly, solely for the purpose of renovation of emergency sheltering, the whole national pot of money, and it would be used wisely, it would be used well, the end purpose would be correct, and the rest of the country would be left with no money.

So what do we do? New York was properly angry with the national board. Why aren't we giving them more money? They raised hell in Congress. They said we need more money for renovation. Sure they do. They needed all \$50 million and they needed all \$70 million. That's absolutely correct.

So what do we do about Cleveland, which has an absolutely magnificent county-wide program? Or any of your cities? Any one of your cities sitting up here are involved in the program deeply. Because everybody views this program, since it is a pot of money, as the answer to their fondest hopes of helping people. That's the problem that we face.

It is projected—now I should say that there were over 13 million nights of lodging over the course of this program during the first two rounds, excluding the \$70 million that was just appropriated during the last session, which equals \$2.20 a night. That's an honest figure. I didn't think it was. I don't know how you can provide shelter for—but you know churches can provide shelter, and synagogues can provide shelters. And there can be extensions of adding additional cots.

All you have to do is take a tour and look at some of the magnificent work being done by people who cannot possibly be paid even by the hour for what they're doing, that provides this extra work. I think we have marvelous examples right in the metropolitan Washington area.

It is projected that a total of \$95,453,000 will have been spent on meals by the end of the round 3 which is including the \$70 million, and a projected total for lodging of about \$60 million for all three rounds.

Administrative costs for the whole effort, all three rounds, is \$1.3 million for somewhere in the neighborhood of \$210 million spent. Now, I want you to know I ain't going to promise that ever again.

United Way was the Secretariat for this whole congressional effort. United Way took not one penny for the first round and spent out-of-pocket hundreds and hundreds of thousands of dollars organizing a complete computer program that was not available within the Federal Government.

And if you want to have your hair stand on end—it's something that I've been interested in all the years I worked up here and then later on—the Federal Government has no accurate measurement, at all, of these problems. None. We had to try to devise a system to determine how to allocate these funds.

And we had to take the labor statistics which you mentioned before, Mr. Chairman, which are not accurate in my humble judgment, and massage them on United Way's computers to try to make sense out of them, to try to reflect in some accurate way the depths of problems in your own districts by civil jurisdiction. And I want you to know we couldn't do it as accurately as we wanted to but for the first two rounds we did it better than anyone else in the country, God help us.

It's a terrible situation and we have a paper on that subject which I'll share with you later when we can get it together, on the problems that the board had in meeting the congressional requirements and needs of making sure this was equitably and justly distributed throughout the country.

I want you to know it wasn't easy because the stats that exist were not good, but but we figured that they would best reflect the emergency nature of the problem—and your counsel was involved in these discussions early on. We tried to seek every kind of assistance because, again, it's a kind of Solomon decision that you don't feel comfortable with.

The fact of the matter is area labor statistics are no good but they're the only measurement we had. And then when we added poverty to it during the last go-around, that helped reflect a little better the depths of the emergency nature of the problem in the country but then we turn around and people in your own area in Texas would say to us, my God, you're not reflecting our needs, because we have these long-term poverty problems. Well, \$50 million does not make an anti-poverty program. It doesn't.

What we were aiming at was an emergency program. And an emergency program is a lot different and a lot more painful theoretically. I'll give you an example: Houston, TX; Dallas, TX; your own town of San Antonio. The first go-around we couldn't reach your communities. There was no way we could reach it because in fact the statistics lagged by 18 months even as lousy as they are. You turn around the next go-around we found out that everybody who was in a town of distress in the north and midwest was walking to Houston to seek assistance, and walking to Dallas.

And all of a sudden we found reflected in the Dallas and Houston statistics—and I believe your own community as well—an increase on the stats but nowhere near the actual reflection of the problem at that day. There was still a delay of 18 months—12 to 18 months. It's true all over the country.

And I think as a fundamental problem for discussing any of the kinds of things you're discussing, we have to get a better handle on how to develop the stats, the statistics, to make the work feasible and trustworthy because right at the moment it isn't.

But let me tell you what happened. America is really something else. Because Houston and Dallas did not get any money the first time around, they formed a board anyway to reflect the national

board. And they did their thing anyway because the problem was there.

And you know something interesting about our institutions, our churches and our synagogues and United Way and Catholic Charities, all of these groups? We can't close our doors. We can't say we're bankrupt because if we're bankrupt, we're bankrupt in a much different way, and it's the last 27 minutes of the Roman Empire for the whole country. We've got to keep our doors open. So they did.

And then by the time the money was able to reach them their board was in place already. They had already received incredible kinds of private support from both the private industrial and business sector as well as individuals and not-for-profits, and they were in place and ready to go.

So we've learned an awful lot of things about America through this program that I suppose we knew already, but boy, do you have to be reminded occasionally.

We have a problem, which is a very serious one, and I want to be up front with you about it, because it's the kind of problem that's demagogued all over the place.

I was one of the bad guys in the situation at the beginning to try to demonstrate to the public that we really meant business with what Congress decided to do with these funds. And therefore, we capped severely the kind of administrative costs available, because we felt that we had to demonstrate our willingness to help. In doing that, I really was too severe, from my standpoint. I mean, we can bankrupt some of these private organizations right at the moment, if the cap continues at the very low level it's at. And I certainly would like to be a participant in any kind of conversation about realistic reimbursement for administrative costs, because the purpose of this was not to help everybody we want to help and then have the group that's helping them go bankrupt in the process of doing it. And I don't think Congress wanted that either.

There are very useful ways to have that kind of discussion, based on real costs for administrative expenses. We now have a very good index from the last two years of this program, so we can help, but I don't want it demagogued. I don't want people to feel that private not-for-profit groups are ripping off the Congress or the country through the administrative costs. It is clear that there is no way that anybody can pay these groups for their actual costs, and that is not what they are asking for.

We have a series of things, as I said, that the Congress has asked the board to do. One of which is the homeless study. We got it done much quicker than we thought we could. I will provide it, as soon as we have it available and cleared by the Board, to this committee and the Appropriations Committees which originally ordered it. So I think that that again will be a very useful assistance for all of you.

I think, in closing, Mr. Chairman, we have learned much more than we expected to learn about the engine that is out there in the private not-for-profit sector to assist, which are made up of volunteers, as well as both paid and nonpaid professionals. There is absolutely no way that this program could be replicated anywhere.

Recently I was in England, two weeks ago. The temperature went down to 40 below 0, wind chill, which is totally uncharacteristic for England. They always maintain they never had a heating problem, and for the first time there were children dying in their apartments with absolutely no programming, no capability of dealing with it. And one of the little finger exercises I had was the great pleasure of giving them all the documentation on this program as a national program for the Government of England, because they never knew how to deal with it. But we have a system, and the engine that is out there has been working and laboring, and because of the wisdom of this body and the Congress at large, additional resources were provided for our effort across the country.

Mom-and-pop churches that could in no way fiscally meet the requirements of Congress were placed under the wing and the umbrella of larger groups that had accounting systems that could account for every dollar. The level of fraud is almost nil. And every time we have had fraud alerts across the country, we've jumped on the perpetrators and cleaned up the act considerably faster than anything I remember when I worked up here. It's been remarkable, but don't expect this to do the job that we all really want to do in solving the problem of emergency food and shelter. This program can't.

We are willing to continue to serve and have this program be a continuing emergency food and shelter program. The long-term and underlying problems that have been created for so many reasons for a number of years need long-term solutions with the kind of dollars that will really begin to meet them.

Is this a continuing emergency? The answer, unqualifiedly, is yes. The shifts in the geography of the emergency we can document for you clearly on a map from jurisdiction to jurisdiction over the last two years. And it is continuing and it is worsening in some areas. So the emergency does continue. It's an odd situation, but the underlying and root cause and depths of real depression in this area are known quantities and need special assistance.

Thank you very much for the opportunity to testify. I appreciate it very much.

[Mr. Talisman's prepared statement, on behalf of the Council of Jewish Federations, follows:]

Testimony of Mark E. Talisman
Director, Washington Action Office
Council of Jewish Federations
Before the Housing Subcommittee
March 6, 1985

Mr. Chairman and members of this Subcommittee, I am Mark Talisman, the Director of the Washington Action Office of the Council of Jewish Federations and a member of the National Board of the Federal Emergency Food and Shelter Program. I am delighted to be here this morning to report to you on the National Board Program not only because I am proud of the assistance this program has been able to provide, but also because this subcommittee has frequently demonstrated its concern for the plight of homeless and disadvantaged citizens in our country. You are to be commended for your continuing efforts, even in these times of budget constraints, to seek the most effective remedies for some of the most difficult problems we face.

The Federal Emergency Food and Shelter Program was created in 1983 by Public Law 98-8 (the FY83 Urgent Supplemental Appropriations Bill). Since its creation a total of \$210 million has been distributed to voluntary and public agencies in jurisdictions hardest hit by economic conditions and unemployment. Of the total amount, \$160 million was allocated by the National Board Program while \$50 million was allocated by the states during the first round of funding.

The important facts about the National Board Program are as follows:

- o 2994 civil jurisdictions received assistance under this program (including those receiving multiple awards).

o 12,911 local service organizations received National Board funds for the expansion of feeding and sheltering services. This figure includes a large number of umbrella organizations so that the actual number may be as much as three times as large. (The vast majority of these organizations are voluntary agencies; public agencies were not eligible until round three currently in progress.)

o Over 85 million meals were served during the first two rounds at an average cost of \$.70 per meal. (Figures on round three are not yet available.)

o Over 13 million nights of lodging were made available during the first two rounds at an average cost of \$2.20 per person per night. (Round three figures are not yet in.)

o It is projected that a total of \$95,453,328 will have been spent on meals by the end of round three.

o The projected total for lodging is \$60,071,001 for all three rounds.

o Administrative costs for all three rounds combined total \$1,315,521. This is 1.4 percent of the total program costs.

We have learned many things about the needs, the compassion and the spirit of the American people and the voluntary agencies through the National Board Emergency Food and Shelter program. First, we have learned that the need for assistance is enormous, far beyond the capacity of this limited emergency program to address. The case loads at soup kitchens, shelters for the homeless, crisis centers, food pantries, counselling centers, and vocational service agencies are growing every day.

As hard as we have tried to stretch the dollars available through this program to meet the greatest number of needs, it is impossible for a small emergency program to care for those who need long-term, continuing support. Above all else, my message to you is DO NOT LOOK AT THIS PROGRAM AS THE ANSWER. The

problems of poverty and hunger in this country require a long-term solution and we dare not wait too long to find it. We have seen the faces of real live individuals and whole families who are in serious trouble out there.

The kind of decisions the National Board is asked to make on an almost weekly basis would baffle even Solomon. How do you tell elderly people who need pharmaceuticals to digest food that we can pay for the food but not the medicine? Or do we allow an agency to pay for new tires for the bus that delivers meals-on-wheels even though tires are neither food nor shelter under the regulations? Is clothing shelter to a woman without a coat in the snow? Can a rural community use its food allocation to buy seeds to plant crops which will feed more people than using the money to purchase food products?

Because of the dire needs that agencies are trying to meet, the National Board of voluntary agencies, the local board agencies and the local providers have done everything in their power to lower administrative costs and pass on every possible dollar to service delivery. This program has used federal funds for administrative costs of only 1.4%, even less than the 2% cap contained in the legislation appropriating these funds. This is possible only because the voluntary agencies participating in the program have absorbed the majority of costs into their own budgets.

National Board agencies have not taken any funds for administration, with the exception of United Way of America which services as the secretariat. During the first round even they took no administrative funds, donating, in essence, at least \$250,000 of computer services, printing costs and accounting services as well as hundreds of hours of staff time.

According to a recently completed evaluation of the Emergency Food and Shelter Program conducted for the National Board by the Urban Institute*, normal local administrative costs were determined to be 9.6%. After two years of absorbing these expenses in such magnitude, however, it seems time to take another look at the financial contribution being made by the private sector to see if it can be eased somewhat without damaging the efficiency of the program.

Finally, Mr. Chairman, let me tell you that we have found that Americans, by in large, are still a compassionate people. There is still a sense in this country that we must find a way to help those who are in need. Donations of volunteer hours, food, clothing, furniture, etc. has stretched this emergency program well beyond the boundaries of its appropriation level. Many communities have been able to use federal emergency food and shelter funds to leverage matching assistance or other in-kind grants from corporations and merchants. The partnerships between local and state governments and the private agencies has been strengthened, and the cooperation among service providers themselves is stronger than ever.

But do not let me mislead you. While many good things have come from the existence of the Emergency Food and Shelter Program, I repeat that it is not the answer to the massive problems we face in the areas of housing and hunger. Lives are literally at stake here, and we cannot pat ourselves on the back for putting what amounts to a band-aid over a gaping wound.

I thank you for your time and will be happy to answer any questions.

* You will be receiving copies of the evaluation within the next week.

Chairman GONZALEZ. Well thank you very much, Mr. Talisman. I think we can properly say it's because of your Solomonic wisdom, which you have very amply demonstrated here, that and we were very fortunate in having you undertake this very, very onerous job with the results that you have so eloquently described.

Yes, just Sunday before last in my own community, I visited, as I have at frequent periods, the shelter which has been provided in the city. I had importuned the city fathers quite a bit all last year, clear through the summer, and finally the city council tried to get—well, they did get an allocation of CDGB moneys, which are being reduced or are being asked to be reduced. So they had a limit, and they were supposed to have had a hotel or an abandoned building converted for that purpose, but as of this moment, they haven't. So Sunday before last, when I visited the lineup waiting entry for the evening, it was very pathetic, because even though it was relatively a mild day, we had better than 100 persons. And for the first time, I saw children, 3, 4, 1 year old, and persons that were very impressive to me—and demoralizing—because two of them were from Pueblo, CO, who had lost their homes because of the situation that has arisen in Pueblo, that we tried to address in 1983 with the Emergency Home Mortgage Assistance Act, and which failed. And it's very demoralizing to see that. I'm sure that had we been able to get some measure of success by passing this program, those persons would not have been in San Antonio.

So we know, and this subcommittee was, yes, the first to bring and focus attention, better than 2 years ago, at a time when we were criticized, accused of exaggerating, and we know that. And it's very distressing to admit to the problem, but we must face it.

And I want, in the name of the subcommittee, to thank you personally for a tremendous job.

At this point, I think it only fair to recognize a very distinguished Member of the Congress and this subcommittee, who really is the author of the specific provision that gave rise to the Board's existence and who conceived of the need for the legislation that would provide a second stage shelter in cases that call for it, and who is the author of that provision. We have integrated it in our reauthorization bill. And it's Ms. Oakar from Ohio, who I think should be credited for the originality of the legislation. And all we did was cooperate with her, append it to our legislation and authorization bill. It's a privilege to present Ms. Oakar and recognize her.

Ms. OAKAR. Thank you, Mr. Chairman, for your gracious words. I'm very grateful that you included my homelessness legislation in your omnibus housing for 1985 bill. Mr. Chairman, Mark Talisman is from Cleveland, OH, originally. I can safely say that some of the best housing in Cleveland is provided by the Jewish Federation and those connected with it.

Mr. Chairman, and Mark you might be interested in this study, my State of Ohio recently published an outstanding report entitled "Homelessness in Ohio." It refutes last year's HUD study that said the extent of homelessness in America was practically nil. The Ohio report goes into great detail about homeless in Ohio. It is reasonable to conclude that Ohio's homeless are representative of homeless people living throughout of country. Mr. Chairman, I'm just real pleased that, Mr. Chairman, you're having this hearing

today on homeless people and that we have a panel of distinguished witnesses like Mark Talisman and others.

I'm especially concerned about that our homeless citizens have no political clout. They're deinstitutionalized and are just walking around in the streets of our cities; nobody is caring for them. And Mr. Chairman, we know that we've deinstitutionalized about 500,000 people in the last few years, and a good portion of those people are walking around urban areas without proper medication, housing, or job. Homelessness is one of the great tragedies, of our time and it must be addressed.

Mr. GARCIA. Would the gentlelady yield?

Ms. OAKAR. I'd be happy to. Thank you, Mr. Chairman.

Mr. GARCIA. Mark, we have a vote coming up fairly shortly, as you know, but there's one thing I did want to say to you, because I have another committee meeting right after this, and I probably will not come back. And I would hope that most of the people here would appreciate what I'm about to say. I have just resumed the chairmanship of the Census and Population Subcommittee. The Bureau of the Census is going to convene a major conference of various sociologists from throughout the country to meet for the purpose of redefining poverty.

It's important that we understand that, because it seems to me that the purpose and the reasons for that is to demonstrate that we do not have the poverty in this country that you and I know we really have. As the representative of the poorest congressional district in America, I can say that unequivocally. But I say that to you, Mark, because I would hope that your network and your friends understand the importance of the upcoming conference and the people who are going to be brought in, because they're not going to redefine the CEO's of major American corporations, in terms of their pensions, and in terms of their stock options. They're not going to do that. They're only going to define what poverty is and what level it's at.

So I say that to you, because I feel that with this administration we will find ourselves once again saying that we have problems and people not paying attention.

In view of the fact that HUD is slowly but surely going out of business, I think it may be a good idea to take the HUD building and convert it into a homeless shelter.

Ms. OAKAR. Oh, right. Right on.

Mr. GARCIA. Because there's no other purpose for it. [Laughter.]

Mr. TALISMAN. Some people felt that, I remember, in this very committee room when the building was built. [Laughter.]

Mr. MCKINNEY. If the gentleman would yield—

Mr. GARCIA. I yield.

Mr. MCKINNEY [continuing]. I've always looked at him as kind and humanitarian. To work in that building is an awful experience, let alone make some poor people live in it. [Laughter.]

Chairman GONZALEZ. Well, Bob, it will take a lot of resources to assault Fort HUD. "I call it Fort HUD."

Mr. TALISMAN. Can I make a parenthetical comment about the nature of the home of the Emergency Food and Shelter Program. I was one of them in on the discussion with your counsel about where this function of the National Emergency Food and Shelter

Board should be placed, and we placed it at the Federal Emergency Management Administration. It had "Emergency" in its title, which is unlike other agencies with which we have dealt. Now the key here is that—and I want to state this for the record, notwithstanding any other views of the agency, that agency, the Federal Emergency Management Administration, Dennis Kwiatkowski and a host of staff there, have done the most sensitive job that I have ever seen done. It has been an absolute pleasure to work with them. There have been no impediments whatsoever. The spirit of the program that I described as best I could has been carried out to the nth degree, and it's been outstanding. I have to tell you, it's been unlike any other experience I've had. And you know, it's a difficult kind of situation, because all of a sudden, as you know, when there is something that seems to be working, and I will always qualify it, this program that I'm describing, as seeming to work, it's almost too good to be true, all of a sudden, there are all sorts of inventors of the program, all sorts of people who want to have it go elsewhere, and so on.

I happen to feel that it is doing just fine where it is.

Chairman GONZALEZ. Well, Mark, I think, ironically, we ought to comment on something which is ironic. And that is that the No. 1 public housing occupant, the White House, just spent almost \$10 million in computerizing the kitchen and a few other facilities there in the White House. You talk about lack of computer resources on the Federal level, well, let me tell you, the White House just spent \$10 million, at the same time that the occupant is asking us to zero out all programs, including this one in his budget presentation.

We do have a recorded vote. We'll be recessed for no more than 10 minutes.

Mr. TALISMAN. OK. Thanks.

Chairman GONZALEZ. The subcommittee will resume.

We have a panel consisting of Mr. Fierst, executive director of the Jewish Foundation for Group Homes in Rockville, MD. And he's accompanied by Mr. S. Robert Cohen, who is the president of the Jewish Foundation for Group Homes; Mr. Leonard Stein, member of the B'nai B'rith International Senior Citizens Housing Committee, Washington, DC; and Mr. Joel Daner, associate executive director, Associated Jewish Charities and Welfare Fund, Inc., of Baltimore, MD. And he's accompanied by Ms. Carol Gould, member of the board of Comprehensive Housing for the Aged, Inc.

And we had asked Mark, or Mr. Talisman, to do us the great honor of introducing the panel because as, the executive director of the umbrella organization, he would be very appropriate.

Mr. TALISMAN. Thanks, Mr. Chairman. We were asked, as you know, by your counsel to try to put together a representative group of the kind of housing activities that we have been involved in, along with colleagues from all the other major faiths, and on sectarian activities in the country.

This is a voluntary act, and as you see, we have professionals who are accompanying our volunteer leaders who are actively involved, each one in their own right very distinguished. And what we tried to do for the committee, for purposes of your legislation considerations, is have a selection of the kinds of programming we

are working on from 202 Housing for the Elderly on to group homes, and dealing with the severe problem of deinstitutionalization was raised during the last segment of the hearing.

There is a bad joke that goes around town that the Jewish community has been given a number of housing opportunities for the elderly because, after all, their experience is the longest, having been under forced labor building housing under the Pharaoh. That's a bad joke.

The fact of the matter is that what we have found, and I think it's fair to say in almost every instance, is that it isn't only the construction that is the matter of allowing decent housing to be provided, but equally, if not more importantly, the kind of substantive programming that exists inside the housing that makes homes for people on a long-term basis whether they be elderly, be institutionalized, mentally retarded, or other.

So we have before you an array of talent, all of whom are in the loving work of providing this kind of housing. And I think it would be appropriate to start with our dear friend, Bob Cohen, who is from the Washington area.

The subcommittee was led by Ms. Oakar on an actual site visit of their activity, which is unique in the country. And I think this subcommittee has expressed interest in seeing if it has applicability across the country. And that's why they are the lead.

So, Bob Cohen, and accompanied by Barry Fierst, the executive director.

Chairman GONZALEZ. If Mr. Cohen will yield to me, I'm going to ask unanimous consent that the report that Ms. Oakar had on "Homelessness in Ohio: A Study of People in Need," be placed in the record at the appropriate place.

So if there is no objection I'd like to have this report incorporated into the committee hearing procedures.

[The report referred to by Chairman Gonzalez, "Homelessness in Ohio: A Study of People in Need," may be found at the end of the proceedings of this hearing day on p. 1191.]

Chairman GONZALEZ. Mr. Cohen, thank you.

STATEMENT OF S. ROBERT COHEN, PRESIDENT, JEWISH FOUNDATION FOR GROUP HOMES, INC., ROCKVILLE, MD

Mr. COHEN. Good morning, Mr. Chairman and members of the committee. I am S. Robert Cohen, president of the Jewish Foundation for Group Homes Inc., a nonprofit, nonsectarian organization that provides residential services and training in the Washington, DC, metropolitan area. I am honored to be here this morning to extend our help in providing quality housing for developmentally disabled people.

In the past, society tried to hide people who were handicapped. As in many States, when the Maryland State Asylum for the Feeble-Minded at Rosewood opened in the 1880's, it was considered at the time to be progressive. It did a great job of sheltering us "normal," people from the dangers of seeing people who were handicapped.

In the 1970's, society started to accept the developmentally disabled adults to live in small group homes in normal neighborhoods.

Research has clearly shown that once living in group homes with good supervision and training, these adults can lead more independent, valued and productive lives in their communities.

Our challenge today is not how to train, counsel and develop the potential of developmentally disabled adults. Our challenge today for all the community providers in the country is to put together the funds needed to provide the basics in these proven programs.

In the Washington, DC, metropolitan area, thousands of developmentally disabled adults are on waiting lists to enter group home programs. In Montgomery County alone, the waiting lists total about 500. Most of these adults are currently living in the homes of their aging parents and are at the risk of institutionalization as their parents become less able to care for them.

This year, in Maryland alone, 300 developmentally disabled people will be added to the waiting list. Yet, the State Governor's budget proposes an addition of only 60 State-funded placements.

What happens to the 240 unlucky others?

For a fortunate few, who come from families with the means, they will enter a group home program. The costs are enormous, in excess of \$20,000 a year for housing, board and training.

At present, the only available public assistance for these people of modest incomes, besides SSI, is in the form of a set-aside program of section 8 moneys. However, as far as we know, in Washington, DC metropolitan area, only Montgomery County has this program. The Montgomery County program has \$2,400 annual limit per person. The rewards of the group home are great. Some of these adults after training will be able to move in a less supervised, less restrictive and much less costly program in an apartment setting.

Opening a group home means costly though one-time changes and additions to the home. Local building, fire, health codes must be met. A four-person home for mentally retarded adults means at least a \$5,000 expenditure to install emergency lights, strike boxes, gongs, smoke detectors, and all interconnected to an emergency DC backup system. All this to meet national Fire Life Safety codes.

Additional costs are incurred for proper doors, exits, et cetera. More costs are incurred for furniture and other supplies. Local and State funding support is minimal. Some jurisdictions do provide funding for fire and health renovation work through the Community Development Block Grant Program, and we strongly support this.

It is very difficult to find a house to lease where renovation work is permitted. The purchase of a home to use as a group home is, of course, a major expense. While mortgage payments may come from operating revenue, finding the downpayment money is a major obstacle.

Mr. Chairman, at this time of serious concern over the national deficit, I do not come to you suggesting that the Federal Government should bear the full cost of operating group homes. I do believe, however, that additional ways should be found to support the acquisition-renovation of houses to serve as group homes, that some type of rent supplement program might be considered for lower and moderate income developmentally disabled adults who could not otherwise afford the group home option.

I would like to note that we have had the pleasure of a visit by Mr. Jerry McMurray, staff director of the subcommittee, at one of our group homes. And I hope at some time he will be able to share his impressions with you.

Mr. Chairman, this concludes my prepared remarks. Thank you for the opportunity to discuss these issues with you.

Mr. Barry Fierst, director of the Jewish Foundation for Group Homes, Inc., is with me. And we will be pleased to answer any questions you may have.

Thank you.

[Mr. Cohen's prepared statement, on behalf of the Jewish Foundation for Group Homes, Inc., follows:]

TESTIMONY OF
MR. S. ROBERT COHEN, PRESIDENT
THE JEWISH FOUNDATION FOR GROUP HOMES, INC.
BEFORE
THE HOUSING SUBCOMMITTEE
MARCH 5, 1982

Good morning, Mr. Chairman and members of the Committee. I am S. Robert Cohen, President of the Jewish Foundation for Group Homes, Inc., a non-profit, non-sectarian organization that provides residential services and training in the Washington, D.C. metropolitan area. I am honored to be here this morning to extend our help in providing quality housing for developmentally disabled people.

In the past, society tried to hide people who were handicapped. As in many states, when the Maryland State Asylum for the Feeble-minded at Rosewood opened in the 1880's, it was considered, at the time, to be progressive: It did a great job of sheltering us "normal" people from the dangers of seeing people who were handicapped. In the 1970's society started to accept developmentally disabled adults to live in small group homes in normal neighborhoods. Research has now clearly shown that once living in group homes, with good supervision and training, these adults can lead more independent, valued, and productive lives in their communities. Our challenge today is not how to train, counsel, and develop the potential of developmentally disabled adults. Our challenge today, for all the community providers in the country, is to put together the funds needed to provide the basics in these proven programs.

In the Washington, D.C. metropolitan area, thousands of developmentally disabled adults are on waiting lists to enter a group home program. In Montgomery County alone, the waiting lists total about 500. Most of these adults are currently living in the homes of their aging parents, and they are at risk of institutionalization as their parents become less able to care for them. This year in Maryland alone, 300 developmentally disabled people will be added to waiting lists. Yet the Governor's state budget proposes an addition of only 60 additional State-funded placements.

What happens to the 240 unlucky others? For a fortunate few who come from families with the means, they will enter a group home program. The costs are enormous--in excess of \$20,000 a year for housing, board and training. At present, the only available public assistance, for those people with moderate incomes (besides SSI), is in the form of a set-aside program of Section 8 monies. However, as far as we know in the Washington, D.C. metropolitan area, only Montgomery County has this program. The Montgomery County program has a \$2,400 annual limit per person. The rewards of the group home are great. Some of these adults, after training, will be able to move to a less supervised, less restrictive, and much less costly program in an apartment setting.

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Safety Code. Additional costs are incurred for proper doors, exits, etc. More costs are incurred for furniture and other supplies. Local and State funding are minimal. Some jurisdictions do provide funding for fire and health renovation work through the Community Development Block Grant program, and we strongly support this.

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Mr. Chairman at this time of serious concern over the national deficit, I do not come to you suggesting that the federal government should bear the full cost of operating group homes. I do believe, however, that additional ways should be found to support the acquisition and renovation of houses to serve as group homes and that some type of rent supplement program might be considered for lower and moderate income developmentally disabled adults who could not otherwise afford the group home option.

I would like to note that we have had the pleasure of a visit by Mr. Jerry McMurray, staff director of the subcommittee, at one of our group homes, and I hope that at some time he would be able to share his impressions with you.

Mr. Chairman, that concludes my prepared remarks. Thank you for the opportunity to discuss these issues with you. Mr. Barry Fierst, Executive Director of the Jewish Foundation for Group Homes, Inc., is with me and we would be pleased to answer any questions you may have.

Chairman GONZALEZ. I may suggest, Mark, we will proceed with the other witnesses and then ask any questions that the members may have.

Mr. TALISMAN. Leonard Stein is before you. He is, again, a volunteer, a member of the B'nai B'rith International Senior Citizens Housing Committee, which has been long active across the country along with Jewish Federations and Catholic Charities and Protestant Relief in this activity of housing for the elderly; and he is pleased to present testimony.

STATEMENT OF LEONARD STEIN, MEMBER, B'NAI B'RITH INTERNATIONAL SENIOR CITIZENS HOUSING COMMITTEE, WASHINGTON, DC

Mr. STEIN. Mr. Chairman, members of the Housing Subcommittee, my name is Leonard Stein. I'm a volunteer member of the Senior Citizens Housing Committee of B'nai B'rith International, the world's oldest and largest Jewish service organization, with a half million members.

I also serve as president of the National-Capital B'nai B'rith Housing Foundation, the nonprofit sponsor of Homecrest House Apartments in Silver Spring, MD, a section 202 project that will dedicate its second facility in a matter of weeks.

While B'nai B'rith has been engaged in a variety of social services since its founding 142 years ago, we wish to focus this brief statement only on the issue of housing for the elderly of limited income.

B'nai B'rith International, through its Senior Citizens Housing Committee, has for the past 15 years been involved in a cooperative partnership with the Federal Government in building subsidized housing for senior citizens through the various programs of the Department of Housing and Urban Development.

During this time, we have opened 17 senior citizen apartment buildings nationwide. We have three additional projects under construction, and one project recently awarded.

By 1987, we will have constructed and be operating 21 apartment buildings with just under 3,000 apartments. While most of these units house only one individual, many are for couples. We will be serving approximately 4,000 older citizens without regard to race, religion, national origin, and creed—4,000 people. That sounds like a great achievement, and perhaps it is for a single, private organization.

But, in terms of answering the needs of the senior citizens, it falls terribly short.

B'nai B'rith is proud that each of our facilities was constructed well within the required time limit and financial commitment. Each is filled to capacity and has a long waiting list.

At Homecrest House in Silver Spring, 15 to 20 names are added to the waiting list each month. We consider it to be a privilege and a sacred task to be involved in this program of caring for senior citizens, and we hope to continue to build new projects in cooperation with HUD.

Providing affordable housing for the elderly requires a long-term commitment of time and resources. We have that commitment. It

is because of this commitment that we express our views today that the proposed budget cuts currently under consideration will adversely affect these programs for all who are engaged in this vital partnership.

The "graying of America" is well documented. The population 65 and over grew by 20.6 percent between 1960 and 1970, and by 28 percent between 1970 and 1980. Today, according to Government statistics, 27 million Americans are over the age of 65. The implications of these projections for housing in this country and for the Federal housing policy in particular are profound.

Since the inception of the Section 202 Program, the Federal Government has depended upon the nonprofit community to share in the task of providing the sense of commitment and challenge of making quality housing available to low-income senior citizens. For the nonprofit organizations in general, and for B'nai B'rith in particular, this partnership has been an exciting and eye-opening experience of Government and private groups working hand in hand to the benefit of thousands of American citizens.

We believe that many tax dollars have been saved through this housing program, and the people who needed the help most have been helped. Without your support, the nonprofit community could not continue in this great endeavor. The remarkable advances that this country has made in accomplishing our housing goals would not have come about with the private sector if it were not for the significant participation of the Federal Government.

The quality of the nonprofit component in this equation cannot be overstated. We care. That's the only reason we are in this business. There are literally thousands of volunteers, like me, who regularly give of their time and energies so that we may provide for others. This represents an enormous resource of manpower that surely is absent in the private sector.

The demand for section 202 housing units far exceeds the supply. This is documented by the national survey of section 202 housing projects conducted last year by the U.S. Senate Special Committee on Aging, and confirmed by our experience at B'nai B'rith International.

There are an average of six 202 units for every 1,000 elderly persons in the country. Less than one-fifth of a project's units become vacant every year. As a result, there are approximately 270,000 elderly persons on waiting lists waiting to get into one of the 1,776 section 202 projects nationwide.

These figures represent only a fraction of the actual number of persons who need the housing that these projects offer. Waiting lists only represent those persons who chose to apply and does not include those who are discouraged by the prospect of a long wait and chose not to bother.

Many times, these are the people who may be most in need of affordable housing. Sometimes, the waiting lists become frozen and no new names are added. Prospective applicants sometimes wait months, or even years, just to be able to have their name placed on a waiting list, at which time they may still be facing a wait of up to 2 years before an apartment becomes available.

Almost every day I get a telephone call from one or more of the almost 200 persons on the Homecrest House waiting list. Each one tells me about his extenuating circumstances:

I live with my daughter and my son-in-law. They have four children and I have to share a room with a grandchild. I know I'm in the way. Everytime my son-in-law looks at me, I imagine he is wishing I would die already.

I've heard all the stories. It's very easy to get emotional about providing affordable housing for low-income senior citizens. A survey of the B'nai B'rith facilities reveals that each of our 17 projects in operation is filled to capacity. Turnover takes place only after a death, or an illness forces a resident to move to a nursing home.

The four projects still in the development stage are already accumulating sizable waiting lists, even though construction is far from complete and no public announcement has been made. Our Washington office receives letters and calls daily from individuals all across the country requesting information about our program, and asking where they can find affordable housing.

B'nai B'rith strongly believes in the philosophy of the Section 202 Program, that is, to foster independent living. Our facilities provide not only shelter but all of the services and attention that are appropriate. We do not warehouse residents. We offer housing which becomes their home. Residents have their own apartment, but these separate apartments rapidly evolve into a greater sense of community, a community that is caring and supportive; where you discover a vibrant, hopeful, amazingly lively body of people striding toward the future with dignity and confidence.

A primary need of the elderly is housing that is specifically designed for them. Without such provisions, we merely force them into costly and dehumanizing nursing homes. The Section 202 Direct Loan Program has successfully shown that by providing these necessities, the elderly live better lives.

The 1981 White House Conference on Aging called for a minimum of 20,000 units annually for this housing program. In 1985, we might build 12,000. And, today, we're struggling to maintain the program from being lost forever. The nonprofit community has come to view this opportunity as a last resort, as have the thousands of senior citizens that can only hope for the opportunity to be able to submit an application to become a resident in one of these housing developments. We must permit them to retain their dignity, their pride and their feeling of importance and decency, together with an economic security that makes it possible to lead an independent life.

Mr. Chairman, members of the committee, we appreciate the opportunity to share these thoughts with you. There have been many criticisms of the Section 202 Program and its forerunners in subsidized housing for the elderly but, on balance, we must focus on all of the good that has been in this partnership between Government and nonprofit organizations.

Private citizens who stand to gain nothing except a sense of creating a more dignified lifestyle for those older Americans who have made this country great.

Thank you.

Chairman GOVALL: Thank you, Mr. Stein, for your very interesting and thorough presentation and also for your excellent summary of the outstanding, and it should be noted

[Mr. Stein's prepared statement is as follows: The following international, follows:

PREPARED STATEMENT OF LEONARD STEIN, B'NAI B'RITH INTERNATIONAL SENIOR
CITIZENS HOUSING COMMITTEE

Mr. Chairman, Members of the Housing sub-committee, my name is Leonard Stein, and I am a volunteer member of the Senior Citizens Housing Committee of B'nai B'rith International, the world's oldest and largest Jewish service organization, with a half-million members. I also serve as President of the National Capitol B'nai B'rith Housing Foundation that sponsors Homecrest House Apartments in Silver Spring, Maryland, a Section 202 project that will dedicate its second facility in a matter of weeks.

While B'nai B'rith has been engaged in a variety of social services since its founding 140 years ago, we wish to focus this brief statement only on the issue of housing for the elderly of limited income.

B'nai B'rith International, through its Senior Citizens Housing Committee, has for the past 15 years been involved in a cooperative partnership with the Federal government in building subsidized housing for senior citizens through the various programs of the Department of Housing and Urban Development under Section 202/236 and now 202/8.

During this time, we have opened 17 senior citizen apartment buildings nationwide. We have three projects under construction and one project recently awarded.

This means that by 1987 we will have constructed and operating 21 projects with just under 3,000 apartments. While most of these units house only one individual, many apartments are for couples. B'nai B'rith serves approximately 4,000 older citizens without regard to race, religion, national origin and creed.

Four thousand people. That sounds like a great achievement, and in the context of a single, private organization, it is. But, in terms of answering the needs of the senior citizens of this country, it falls terribly short of fulfilling those needs.

B'nai B'rith is proud that each of our facilities are filled to capacity with long waiting lists, and are each constructed well within the required time limit and financial commitment. We are proud indeed that we are able to provide an exciting and meaningful life style for the senior citizens of our country. We hope to continue to build new projects in cooperation with HUD, and we consider it a privilege and sacred task to be involved in this program of caring for our deserving elder citizens.

B'nai B'rith senior citizens housing projects are planned and carried through by local B'nai B'rith lodges, units, councils, state associations and districts within the framework of regulations set by the B'nai B'rith International Senior Citizens Housing Committee. The local B'nai B'rith housing entity works in cooperation with other legitimate agencies of community life, Jewish and non-Jewish, in the development of the building itself and/or the provision of program services. Providing affordable housing for the elderly requires a long-term commitment of time and resources. We have that commitment. But the need for such housing is increasing with the aging of both the Jewish and general population.

It is because of this commitment and concern that we express our views today that the proposed budget cuts currently under consideration by the present Administration will adversely affect these programs for all who are engaged in this vital partnership.

The "greying of America" is well documented. The population 65 and over grew by 20.6 percent between 1960 and 1970, and by 28 percent between 1970 and 1980. Today, according to government statistics, 27 million American are over 65. The implications of these projections for housing in this country, and the Federal housing policy in particular, are profound.

The Section 202 Direct Loan program represents less than 10 percent of the Federally assisted units for this population. It is estimated that approximately 2 million of the 3.2 million low-income elderly renters who would be eligible for Federal housing assistance are currently not being served by these programs.

In other words, the housing needs of millions of elderly, housing that is affordable, safe, accessible and suitable in terms of neighborhood amenities and services have largely gone unnoticed. And, it will get worse!

Since the inception of the Section 202 housing program, the Federal government has depended upon the non-profit community to share in the task of providing the sense of commitment and challenge in making quality housing available to our low-income seniors. For the non-profit organizations in general, and B'nai B'rith in particular, this partnership has been an exciting and eye-opening experience of government and private groups working hand-in-hand to the benefit of thousands of American citizens. We believe that not only has tax dollars been saved through this housing program but that people who have needed the help most have been helped.

Without your support, the non-profit community could not continue in this great endeavor. The remarkable advances that this country has made in accomplishing our housing goals would not have come about with the private sector if it were not for the significant participation of the Federal government.

The quality of the non-profit component in this equation cannot be overstated. We care! It is the only reason we are in business! There are literally thousands of volunteers, like me, who regularly give of their time and energies so that we may provide for others. This represents an enormous resource of manpower that surely would be absent in the private sector.

The demand for Section 202 housing units far exceeds the supply. The present efforts to terminate this program are contrary to what the demand is shown to be today. This is documented by the National survey of Section 202 housing projects conducted last year by the U.S. Senate Special Committee On Aging, and confirmed by our experience at B'nai B'rith International.

There are an average of six million 202 units for every 1,000 elderly persons in the country, and, less than one-fifth of a project's units become vacant every year. As a result, there are over a quarter of million persons (270,000) waiting to get into the 1,776 Section 202 projects nationwide.

And, these figures only represent a fraction of the actual number of persons who need the housing that these projects offer. Waiting lists only represent those persons who chose to apply, not those who were discouraged by the prospects of a long wait, and, therefore chose not to bother. Many times, these are the people who may be most in need of affordable housing.

Oftentimes, a waiting list becomes "frozen" and no new names are taken. Prospective applicants sometimes wait months or years, just to be able to have their names placed on the waiting lists, at which time they may still be facing a wait of two to three more years before an apartment becomes available.

A survey of the B'nai B'rith facilities reveals that each of our 17 projects in operation is filled to capacity. Turnover takes place only after a death or when illness forces a resident to move to a nursing home. In addition, the four projects in the development stage are accumulating sizable waiting lists of their own, even though construction is far from complete and no public announcement has been made. Our Washington office receives letters and calls daily from individuals all across this country, requesting

information about our program and asking where they can find available housing.

B'nai B'rith strongly believes in the philosophy of the Section 202 program, that is, to foster "independent living". Our facilities are provide shelter plus the services and attention that are appropriate to the needs of the population it serves.

We do not "warehouse" residents. We offer them housing which becomes their home. Residents have their own apartment, but, these apartments rapidly evolve into a great sense of community, a community that is caring and supportive.

A primary need of the elderly is housing that is specifically designed for them. I mean by design not only such features as hand rails, ramps, special alarm systems, secure entrances and exits, but also provision of communal space where the elderly can have meals and participate in activities. This is essential if the elderly are to remain healthy in mind and body. Without such provisions, we merely force them into costly and dehumanizing nursing and hospital facilities.

The Section 202 Direct Loan Program has successfully shown that by providing these necessities the elderly not only live better lives, but they contribute more by being in the secure and healthy environment which everyone needs in order to function at their highest level. This cannot be achieved by cutting back on the quantity of new construction.

The 1981 White House Conference on Aging called for a minimum of 20,000 units annually for this housing program. In 1985 we may build 12,000. Today, we are fighting to maintain the program from being lost forever!

The non-profit community has come to view this opportunity as a last resort, as have the thousands of senior citizens who can only hope for the

opportunity to be able to control an application or receive a machine in one of these leading organizations.

We must present them to receive their dignity, their pride, and their feeling of importance and security, together with an economic security that makes it possible to lead an independent life.

We agree to be not independent in economic and housing facilities. The costs of construction continue to increase. However, the trouble here is there are not enough social facilities around to make them see beyond the type of living that is offered by the NE housing program.

Mr. Chairman, members of the Committee, an opportunity for opportunity to share these thoughts with you. There have been many criticisms of the National NE program and the Government in connection with the elderly. We share some of the criticisms, not all. In addition, we must focus on all of the good that has been done in this program by national government and non-specific organizations — private citizens and about to give nothing, except a sense of creating a more dignified life style for those older Americans who have made this country great. That kind of perspective is what the Committee ought to all about and so we speak to as part of it.

Respectfully submitted,

James B. Smith

First Vice International

Mr. TALISMAN. Mr. Chairman, you should know that our experience as the Council of Jewish Federations, with nearly 200 units, is that we have somewhere in the neighborhood of 27 on the waiting list for each unit that is actually available, and as Mr. Stein eloquently said, those are those who will continue to wait as opposed to those who have stopped waiting and don't apply anymore.

I just spoke to a countywide coalition of the largest county east of the Mississippi, which happens to be Palm Beach County in Florida. We know West Palm Beach because we think that that is Palm Beach. It isn't; 80 percent of that county is poverty stricken, and we had a discussion about your legislation and the housing need, and for the whole State of Florida the allocation under the present legislation is 800 units total, for the whole State of Florida.

I am pleased now to introduce to the committee Ms. Carole Gould, who is a board member of the Comprehensive Housing for the Aged, which is known as CHAI, in Hebrew meaning "life," from Baltimore, and she is accompanied by Joel Daner, my cherished colleague, who is associate executive director of the Associated Jewish Charities and Welfare Fund, Inc. of Baltimore, MD.

**STATEMENT OF CAROLE GOULD, MEMBER OF THE BOARD OF
COMPREHENSIVE HOUSING FOR THE AGED, INC. [CHAI]**

Ms. GOULD. Mr. Chairman, my name is Carole Gould. I am an attorney and a housing consultant, working primarily in Baltimore City.

Over the past 8 years, I have represented numerous profit-motivated and nonprofit developers constructing low- and moderate-income housing.

In addition, I am also special counsel to the city of Baltimore for commercial development budgets.

Finally, I am also a lay leader in the Jewish community, offering my expertise in the housing area.

I would like to advise you that I am submitting my full statement for the record, and I am summarizing my remarks today.

The proposed moratorium on or substantial reduction in Federal funds for low-income housing suggests that the utilization of the programs have been ineffective or that there is no appropriate affordable role for the Federal Government to play in providing housing for the poor.

Baltimore's utilization of a myriad of programs funded by Federal dollars confirms the viability of these programs in the development of housing. Only the resources of the Federal Government could provide the wherewithal to make so much of this proposed housing a reality.

Yet the Federal Government's expense, compared to the overall cost of housing, is small enough to justify, we say, that the provision of safe, decent housing is less per unit than ever before.

Baltimore is a prime example of urban renewal and revitalization. The utilization of Federal funds is integral to the success of these renewal efforts. However, with 40,000 families currently on the city's public housing list, continued Federal funds are essential if we are to service these citizens.

Come to Baltimore. There is more to our city than our glittery Harbor Place. We will take you to our neighborhoods, and there you will see your Federal success story, the development of safe, decent, and sanitary housing for thousands of families.

Between 1975 and 1983, in the city of Baltimore, 14,860 new construction and rehabilitated units have been placed into the city's housing stock for low- and moderate-income households.

However, this does not adequately describe our accomplishment, since the housing is a first step in a larger revitalization process.

A visit to Baltimore will show how neighborhoods have been preserved in both the inner and outer city. You can see the way in which redevelopment has been combined with efforts to attract new industry, to help older business expand, create new jobs, and to enrich the lives of the citizens with valuable social programs.

As a lay person active in reviewing and assessing the housing needs of the Jewish community, I have seen the utilization of Federal funds to prevent blight and deterioration in the housing stock, an innovative program started approximately 2 years ago.

Utilizing community development block grant funds and private funds, the Jewish community has worked to revitalize a racially integrated neighborhood with an aging housing stock. To preserve this neighborhood funds were necessary to stimulate home ownership, rehabilitate existing housing stock, and organize the community.

Private financing below market rate was offered to bring young professional families into the neighborhood. Federal funds were matched with private funds to provide—to weatherize, paint, landscape, repair walkways. The improvements were targeted on a block-by-block basis to assure the greatest success in the shortest period of time.

Perceptions of this neighborhood have improved dramatically.

This public/private partnership will continue its efforts to improve the Park Heights community. Here the Federal funds are preventing a neighborhood from becoming blighted. Less public and private dollars will be needed for preventive maintenance. However, none of this would have happened without the Federal Government.

The success of this particular program is personal to me. The neighborhood being revitalized is immediately adjacent to my own.

It is not just recent projects that have benefitted from Federal funds. The Baltimore Jewish community was one of the first beneficiaries of the original Section 202 Program instituted during the 1960s with Federal construction funds in the old section 235 rental subsidies, approximately 260 elderly citizens were afforded secure and attractive housing.

This project, known as Concord House, still provides housing to an increasingly aging elderly community. With substantial support services provided by the local Jewish community and funded by both State funds and funding from the Associated Jewish Charities of Baltimore, premature institutionalization of this aging population has been prevented.

Without Federal funds to build the initial structure, few, if any, of this community would be serviced now. Many of these residents would be patients in nursing homes, maintained there with Federal

medicaid funds at a much greater cost to the Federal Government than an investment in residential housing.

Perhaps in view of anticipated budget restraints, it would be better to refine existing programs than eliminate them. Clearly, shortrun savings are achieved by the elimination of Federal funds for low-income housing. However, the problem of housing is a long-term one. There is no quick fix.

Cities like Baltimore need long-term financial commitments to turn around. Baltimore is turning around. This long-term solution doesn't mean that good money is being thrown in after bad money. The results can't be instantaneous, but the results can be seen. The commitment of Federal funds to low-income housing is working and needs to continue.

Chairman GONZALEZ. Thank you very much.
[Ms. Gould's prepared statement follows:]

PREPARED STATEMENT OF CAROLE S. GOULD

My name is Carole Gould. I am an attorney and a housing consultant working primarily in Baltimore City. Over the past eight (8) years, I have represented numerous profit-motivated and non-profit developers constructing low and moderate income housing. In addition, I am also Special Counsel to the City of Baltimore for commercial development projects. Finally, I am also a lay leader in the Jewish Community, offering my expertise in the housing area.

The proposed moratorium on, or substantial reduction in federal funds for low income housing suggests that the utilization of the programs have been ineffective, or that there is no appropriate affordable role for the Federal Government to play in providing housing for the poor. Baltimore's utilization of a myriad of programs funded by federal dollars confirms the viability of these programs in the development of housing. Only the resources of the federal government could provide the wherewithal to make so much of this proposed housing a reality. Yet, the federal government's expense compared to the overall cost of housing is small enough to justifiably say that the provision of safe, decent housing is less per unit than ever before.

Baltimore is a prime example of urban renewal and revitalization. The utilization of federal funds is integral to the success of these renewal efforts.

Come to Baltimore; there's more to our City than our wonderful Harbor Place. We'll take you to our neighborhoods and there you'll see your success story - the development of safe, decent and sanitary housing for thousands of families.

Between 1975 and 1983, in the City of Baltimore 14,860 new construction and rehabilitated units have been placed into the City's housing stock for low and moderate income households. However, this does not adequately describe our accomplishment, since the housing is a first step in a larger revitalization process. A visit to Baltimore will show how neighborhoods have been preserved in both the inner and the outer city. You can see the way in which redevelopment has been combined with efforts to attract new industry, to help older business expand, create new jobs, and to enrich the lives of the citizens with valuable social programs.

A large portion of the federal funds received by Baltimore are used to achieve a better environment for its citizens. But "community development" means more than physical improvements. It includes: adding to the housing supply by increasing homeownership, improving the environment of neighborhoods, strengthening neighborhood organizations, assisting homeowners in maintaining their homes, helping citizens conserve energy in their homes, meeting the needs of the elderly and handicapped, and meeting the social service needs of residents of communities that are being improved physically.

As a lay person active in reviewing and assessing the housing needs of the Jewish community, I have seen the utilization of federal funds to prevent blight and deterioration in the housing stock.

An innovative program was started approximately two (2) years ago. Utilizing CDBG funds and private funds, the Jewish

community has worked to revitalize a racially integrated neighborhood with an aging housing stock. To preserve this neighborhood, funds were necessary to stimulate homeownership, rehabilitate existing housing stock and organize the community. . Private financing below market rate was offered to bring young professional families into the neighborhood. Federal funds matched with private funds were used to weatherize, paint, landscape, repair walkways, etc. The improvements were targeted on a block-by-block basis to assure the greatest success in the shortest period of time. Perceptions of this neighborhood have improved dramatically; this public/private partnership will continue its efforts to improve the Parks Heights Community. Here, the federal funds are preventing a neighborhood from becoming blighted. Less public and private dollars will be needed for "preventive maintenance". However, none of this would happen without the federal government.

The success of this particular program is personal to me. The neighborhood being revitalized is immediately adjacent to my own.

It is not just recent projects that have benefited from federal funds. The Baltimore Jewish community was one of the first beneficiaries of the original 202 program instituted during the 1960's. With federal construction funds and the old Section 235 rental subsidy, approximately two hundred sixty (260) elderly citizens were afforded secure and attractive housing. This project, known as Concord House still provides housing to an increasingly aging elderly community.

With substantial support services provided by the local Jewish community, and funded by both state funds and funding from the Associated Jewish Charities, premature institutionalization of this aging population has been prevented.

Without federal funds to build the initial structure, few, if any, of this community would be serviced now. Many of these residents would be patients in nursing homes maintained there with federal Medicaid funds at a much greater cost to the federal government than an investment in residential housing.

A key reason for change in Baltimore clearly has been the availability of federal funds. The UDAG program provides a clear example. Baltimore has been most innovative in its use of UDAG funds to provide housing for low-moderate families both in rental housing and for sale units. In recent years, Baltimore has been awarded, after a nationwide competition, approximately Ten Million Dollars (\$10,000,000.00) in UDAG loan funds. The proposed loss of approximately Ten Million Dollars (\$10,000,000) in UDAG loan funds each year would be devastating. As you know, UDAG funds must meet a "but for" test before projects are to be approved. "But for" the availability of the UDAG funds, the housing project could not go forward. Since Baltimore leverages an average of \$4.50 of private funds to every UDAG dollar, the loss of the UDAG program would also cost the City approximately Forty-Five Million Dollars (\$45,000,000.00) in private investment dollars.

The UDAG examples show how well-conceived federal programs encourage private investment and create a ripple effect

which results in a limited amount of federal money leading to the investment and use of much more funds to the betterment of a community. And, UDAG is only one federal program scheduled for abandonment. In other words, the lack of federal funds becomes magnified since the federal funds initiate the development of a blighted neighborhood. With a commitment to improve a community on the part of the federal government, private investment in neighborhoods is increased beyond the scope of the particular housing project. When a community perceives a positive change in existing conditions, an apathetic community becomes an active one. Federal funds have assisted in this process.

It is important to recognize that in order to ~~maintain~~ our City's permanent tax base and support commercial ~~development~~, we need to anchor our neighborhoods. The role of the City is as risk - taker. The City needs to go into the blighted ~~and decay-~~ing neighborhoods and begin the efforts at ~~rehabilitation~~. Baltimore seeks out those programs that involve ~~the community~~ groups in the planning and the developmental ~~processes~~. We have been most successful in revitalizing our City ~~in this way~~. As the neighborhoods are stabilized, the larger ~~community begins to~~ reap benefits.

Though Baltimore has added approximately 5,000 ~~housing~~ units within the past ten (10) years, much ~~more work must be~~ done. The housing stock in Baltimore is ~~fairly typical of that~~ found in older eastern seaboard cities. We have an ~~estimated~~ 64,922 units that are suitable for rehabilitation. ~~Lower income~~ households occupy 43,989 of the ~~units available for~~

rehabilitation. For less than the cost of new construction, these units could be rehabilitated with the same salutary effect. But, federal resources are needed to help make things happen.

Approximately 14% or 7,774 of the lower income households needing improved housing contain handicapped persons. Handicapped persons have special housing needs because of the problem of architectural barriers. Unramped stairs, small rooms, and narrow doorways present insurmountable problems for many handicapped citizens. Almost all housing units in Baltimore lack accessibility to handicapped persons. Lack of accessible and adequate housing forces many handicapped persons to remain in institutions and prevents others from leading physically independent lives. There is no hope for these low-income handicapped people without federal funds to encourage other investment.

Of the 40,000 households presently on the City's public housing list, approximately 15%, or 6,000 households, are elderly. Although congress can declare a moratorium on federal housing funds, it cannot declare a moratorium on growing old. Many elderly people, who have led long and fruitful lives and contributed to our society are now in need of help themselves. With their productive years behind them, if they are unable to find decent, safe housing, we are shortening their lives.

Baltimore feels a strong responsibility towards the provision of housing to its elderly community. For example the non-profit groups who have utilized the 202 programs have provided the housing itself through federal funds for construction and Section 8 rental subsidies for operation. However, each sponsor

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has recognized and the HUD programs require that the provision of safe, decent and affordable housing must include access to a variety of services in order for elderly persons to live happy, independent lives and to avoid institutionalization.

Supported by HUD funds and Section 8 subsidies the overall needs of some fortunate elderly persons have been met. Come with me to Basilica Place, a project sponsored by the Archdiocese of Baltimore, and operating since October 1, 1968. Talk with the residents. Perhaps we'll meet the wispy old lady, in her 84's, who thanked me for helping bring the project to a reality. She said that she never dreamed she might live in such good surroundings at this point in her life. I believe the federal government has a moral and ethical obligation to assist our country's low income population.

Or perhaps, we can stop in at Kirkwood House, where a profit motivated developer has constructed two hundred sixty-one (261) units of housing for the elderly and handicapped. The developer financed the project using State housing funds and Section 8 rental subsidies. Without the federal subsidies, the project would never have been feasible. In addition to servicing the needs of the elderly, numerous members of the handicapped community have found barrier free housing. Combined with the State's sheltered housing program, which provides the personal care programs and special services programs, many handicapped people have found a successful alternative to institutionalization.

Although the present budget proposals may reduce the Community Development Block Grant Funds by 10%, Baltimore will suffer a loss of approximately 20% of the funds allocated this year. Accompanying the funding reduction proposal is a reallocation formula for receipt of funds. Therefore, Baltimore's present allocation of Thirty-Two Million Dollars (\$32,000,000.00) would be reduced to Twenty-Six Million Dollars (\$26,000,000.00).

Baltimore just finished its planning cycle for next year's CDBG funds. After approving projects to be funded next year based on the City's estimated funding level, there are \$22 Million in neighborhood projects that are eligible for funding for which no funds are available. Only a small number of these worthwhile projects will be fully funded out of private sources.

Last week in Washington, I spoke at a national conference of non-profit entrepreneurs. The message was clear and two-fold, first the provision of affordable housing cannot be achieved without some commitment of federal funds; and second, federal funds can and should be used to seal a deal and not fully fund it.

If Congress believes a program has been abused, the solution is not to terminate the program. Compliance with program requirements must be enforced and regulations tightened. Continuation of the programs are vital to the well-being of our country.

Should our federal housing program be dismantled, even on a temporary basis, the effect will be devastating. Since this country can not suffer a further deprivation of its cities, it

would eventually have to re-establish programs to encourage decent housing for the poor in times. Once dismantled, however, it will take one to three years to put the program back together at enormous costs to the government.

Perhaps in view of anticipated budget restraints, it would be better to refine existing programs than eliminate them. Clearly, short-run savings are achieved by the elimination of federal funds for low-income housing. However, the problem of housing is a long-term one. There is no quick fix; cities like Baltimore need long-term financial commitments to turn around. Baltimore is turning around. This long-term solution doesn't mean that good money is being thrown in after bad money. The results can't be instantaneous, but the results can be seen; the commitment of federal funds to low-income housing is working and needs to continue.

Chairman GONZALEZ. Mr. Daner.

STATEMENT OF JOEL DANER, VICE PRESIDENT FOR COMMUNITY PLANNING AND HUMAN RESOURCE DEVELOPMENT, ASSOCIATED JEWISH CHARITIES & WELFARE FUND, INC., BALTIMORE, MD

Mr. DANER. Mr. Chairman, members of the subcommittee, I am Joel Daner, vice president for community planning and human resource development of the Associated Jewish Charities and Welfare Fund of Baltimore.

This nonprofit organization is responsible for the financial, public relations, coordination, monitoring, and evaluation of services provided by 18 local agencies which serve a constituency of approximately 90,000 people.

In the few minutes allotted me, I want to focus specifically on my perspective regarding three issues: Housing needs for the elderly and developmentally disabled, the impact of the Federal Government's policy of deinstitutionalization of the mentally retarded, and the role of the nonprofit sector relative to that of the Federal Government.

Please recognize that I speak on behalf of a system which offers a halfway house, supervised apartments with both partial and 24-hour coverage, sheltered housing group homes, sheltered housing apartments for the elderly, and adult foster care serving the frail elderly.

Through our information and referral service, a resource for shared housing has just been established. Despite this, we do everything in our power to keep people in their own homes and to help them with a variety of home care support services.

In fact, during the current fiscal year we are projecting over 66,000 total hours of home care service, of which 40 percent require some subsidy from our own resources.

As a result of a needs assessment study conducted by Johns Hopkins University in 1981, we determined that housing was one of two major concerns of the elderly. As part of that study, we verified the fact that our elderly population was increasing at a much more rapid rate than that of the general population, and as a result we have to meet the needs of an increasingly frail group of people.

Of our 90,000 constituents, there were approximately 14,000 elderly, over 5 percent of whom were over the age of 75. These are people who have multiple needs, which are much better met when they are in some congregate household with support services.

The needs assessment showed that 36 percent of all elderly live alone; 14 percent spent more than 40 percent of their income on rent or mortgage payments, and about 20 percent have significant problems getting along in their own residences.

This does not speak to that number who worry about safety or feel isolated in their neighborhoods.

Today our family service agency reports a caseload of 53 families per month, wherein the need for housing is the predominant focus of their counseling experience. These represent those clients who are most at risk.

In 1984, 121 requests for subsidized housing for the elderly were not met, compared with 58 during the prior year.

From your national perspective, if you were to extrapolate those figures and project them nationally, you can gain some perspective as to the massive need.

In 1982, our family service agency conducted a needs assessment of the mentally retarded, in which both professionals and care givers overwhelmingly identified supervised, subsidized community housing as the most critical unmet need.

Historically, persons with mental retardation were often placed in institutions, in the belief that they were incapable of learning, personal growth, and development and self-care. In more recent times, advanced knowledge and understanding of mental retardation led to the recognition that it is a dynamic condition heavily influenced by environment as well as education and training.

We obviously support the nationwide movement to enable these human beings to live in the least restrictive environment in which they can develop to their fullest potential.

We are currently evaluating our ability to serve the retarded population in a comprehensive way, including a continuum of residential services. This continuum requires the availability of a variety of housing options to meet the residents' individual needs. It also requires an atmosphere in which our constituents can live while integrating their religious heritage and customs and avail themselves of the services, activities, and opportunities afforded by our community.

Again, our family service agency currently reports 162 individuals with multiple psychiatric problems, including a number of intermittent hospitalizations, who have now been on the agency's caseload for an average of over 14 years. Under the previous policy, many of these people would be institutionalized. This is a burden on the community, but an obligation that we accept, as we recognize the trend in Government priorities.

Historically, we had not served these needs of the mentally disabled because we saw such services as the responsibility of the Government and because long-term care requires enormous sums of money.

Despite our moving into this area of service, as the private sector has increasingly been asked to assume the burden of guaranteeing the continuing oversight responsibilities and support of these individuals, it is impossible for us to continue to meet this need and expand these services without subsidies and grants from the Federal Government.

The problem is clearly larger than we, the private sector, can address. Despite our exploration of all options and our continued commitment to serve both the elderly and the developmentally disabled to the best of our ability and to the maximum of our available resources, the vacuum being left as the Federal Government reduces its commitment in this area is significant and serious.

Yes, people who desperately need help will be left unserved. As the Government provides increasingly restrictive eligibility requirements to its programs, who will be left to serve those who will become ineligible?

I am sorry to tell you that it is not within the capacity of the private sector.

I would cite the U.S. Senate's Special Committee on Aging Report, which in 1977 noted that at least 30 percent of the elderly live in substandard, deteriorating but dilapidated housing. The social service implications of that statement are required to be addressed, not by Government alone and not by the private sector alone, but by a partnership.

I believe we have the expertise and we have the funds nationally. Congress and the Federal Government must make this a priority or the implications of not doing so will cost us dearly in fiscal as well as human terms.

Please permit me to end with a personal note. Coincidentally, I am the father of two developmentally disabled 20-year-old twin girls. As of June 1985, their formal education will be completed. One will graduate from a public school, where she attended special education classes, and the other will complete a program in a private school for such children.

As my wife and I searched for appropriate group homes to meet their respective needs, we found one such facility in New Jersey that will accept one of the girls at an annual cost of \$12,000.

As of this date, we have not found any acceptable facility which can accommodate our other daughter. We have found such agencies which will accept young adults with her level of functioning have long waiting lists and would cost in excess of \$15,000 annually. Virtually all are located even further away.

To find an adequate social housing arrangement which will meet her needs, we must contend with lengthy waiting lists, which will result in an unknown date of acceptance and costs that are beyond our present capacity.

Due to a lack of appropriate and adequate housing, we are forced to consider the fact that both girls will have to relocate to other States.

Chairman GONZALEZ. Thank you very much, Mr. Daner.

[Mr. Daner's prepared statement, on behalf of the Associated Jewish Charities & Welfare Fund, follows:]

PREPARED STATEMENT OF JOEL DANER, VICE PRESIDENT, ASSOCIATED JEWISH
CHARITIES & WELFARE FUND

My name is Joel Daner. I am Vice President for Community Planning and Human Resource Development of the Associated Jewish Charities & Welfare Fund of Baltimore. This non-profit organization is responsible for the financial and human resource development, public relations, coordination, monitoring and evaluation of services provided by eighteen local agencies which serve a constituency of approximately 90,000 people.

In the few minutes allotted me I want to focus specifically on my perspective regarding three issues: housing needs for the elderly and developmentally disabled; the impact of the federal government's policy of deinstitutionalization of the mentally retarded and the role of the non-profit sector relative to that of the federal government.

Please recognize that I speak on behalf of a system which offers a halfway House, supervised apartments with both partial and 24-hour coverage, sheltered housing group homes, sheltered housing apartments for the elderly and adult foster care serving the frail elderly. Through our information and referral service a resource for shared housing has just been established. Despite this, we do everything in our power to keep people in their own homes and to help them with a variety of home-care support services. In fact, during the current fiscal year, we are projecting over 66,000 total hours of home-care service of which 40% or 26,500 require some subsidy from our own resources.

As a result of a needs assessment study conducted by Johns Hopkins University for us in 1981, we determined that housing was one of two major concerns of the elderly. As part of that study, we verified the fact that our elderly population was increasing at a much more rapid rate than that of the general population; they were living longer and as a result, we had to meet the needs of an increasingly frail group of people. Of our 90,000 constituents, there were approximately 14,000 elderly; 4,700 (over 5%) were over the age of 75. These are people who have multiple needs which are much better met when they are in some congregate household with support services.

The needs assessment showed that 36% of all elderly live alone; 14% spend more than 40% of their income on rent or mortgage payments and about 20% have significant problems getting along in their residences. This does not speak to that number who worry about safety or feel isolated in their neighborhoods.

Today, our family service agency reports a caseload of 53 families per month wherein the need for housing is the predominant focus of their counseling experience. These represent those clients who are most at risk, particularly the frail elderly. In 1984, 121 requests for subsidized housing for the elderly were not met, compared with 58 during the prior year. From your national perspective, if you were to extrapolate these figures and project them nationally, you can gain some perspective as to this massive need.

In 1982, our family service agency conducted a needs assessment of the mentally retarded in which both professionals and caregiver families overwhelmingly identified supervised subsidized community housing as the most critical unmet need.

Historically, persons with mental retardation were often placed in institutions in the belief that they were incapable of learning, personal growth and development and self-care. In more recent times, advanced knowledge and understanding of mental retardation led to the recognition that it is a dynamic condition heavily influenced by environment as well as education and training. We obviously support the nationwide movement to enable these human beings to live in the least restrictive environment in which they can develop to their fullest potential.

We are currently evaluating our ability to serve the retarded population in a comprehensive way, including a continuum of residential services. This continuum requires the availability of a variety of housing options to meet residents' individual needs and potential for achieving progressively higher levels of functioning and an atmosphere in which our constituents can live while integrating their religious heritage and customs and avail themselves of the services, activities and opportunities afforded by our community.

Again, our family service agency currently reports 162 individuals with multiple psychiatric problems, including a number of

intermittent hospitalizations, who have now been on the agency's caseload for an average of over 14 years. Under the previous policy, many of these people would be institutionalized. This is a burden on our community but an obligation that we accept as we recognize the trend in government priorities.

Historically, we had not served these needs of the mentally disabled because we saw such services as the responsibility of the government and because long-term-care requires enormous sums of money. Despite our moving into this area of service, as the private sector has increasingly been asked to assume the burden of guaranteeing the continuing oversight responsibilities and support of these individuals, it is impossible for us to continue to meet this need and expand these services without subsidies and grants provided by the federal government. The problem is clearly larger than we, the private sector, can address. Despite our exploration of all options and our continued commitment to serve both the elderly and the developmentally disabled to the best of our ability and to the maximum of our available resources, the vacuum being left as the federal government reduces its commitment in this area is significant and serious. Yes, people who desperately need help will be left unserved. As the government provides increasingly restrictive eligibility requirements to its programs, who will be left to serve those who will become ineligible? I am sorry to tell you that it is not within the capacity of the private sector.

I would cite the United States' Senate Special Committee on Aging Report which in 1977 noted that "at least 30% of the elderly live in sub-standard, deteriorating or dilapidated housing". The social service implications of that statement is required to be addressed not by government alone and not by the private sector alone but by a partnership. I believe we have the expertise and we have the funds nationally. Congress and the Federal Government must make this a priority or the implications of not doing so will cost us dearly in fiscal as well as human terms.

Permit me to end with a personal note...

Coincidentally, I am the father of two developmentally disabled 20-year-old twin girls. As of June 1985, their formal education will be completed; one will graduate from a public school where she attended special education classes and the other will complete a program in a private school for such children. As my wife and I searched for appropriate group homes to meet their respective needs, we found one such facility in Jew Jersey that will accept one of the girls at an annual cost of \$12,000. This group home anticipates the ability of the client to function independently or semi-independently within 3-4 years of her admission so that she can move on.

As of this date we have not found any acceptable facility which can accommodate our other daughter. We found such agencies which

will accept young adults with her level of functioning have long waiting lists and would cost in excess of \$15,000 annually; virtually all are located even further away. To find an adequate social/housing arrangement which will meet her needs, we must contend with lengthy waiting lists which will result in an unknown date of acceptance and costs that are beyond our present capacity. Due to a lack of appropriate and adequate housing, we are forced to consider the fact that both girls will have to relocate to other states. This does not address the lack of day and vocational programs for such adults since this is not within your area of concern.

Chairman GONZALEZ. Mr. Talisman?

Mr. TALISMAN. I believe everyone has completed their testimony, Mr. Chairman.

Chairman GONZALEZ. The testimony is so overwhelming and comprehensive in its totality that, frankly, no specific questions arise in my mind that haven't been answered or the general matter referred to. I think the record should show that this subcommittee has been aware, and during previous hearings, we have had isolated members of the group that's presented here as a group, but words could never really describe the significance, the impact of the organized and most successful attack on the problem by the particular groups here speaking this morning. It's unparalleled, really. I don't know of any other private group that can point to the same, really, not on such a comprehensive basis.

And of course, Mr. Daner, you're quite right, not until one has a real situation, does one really realize the lack of community resources for serious family problems. So I have had the opportunity to witness, as a representative on the local level, city council member, and then the State level, member of the State senate, in Texas, and 24 years here on this level, including the most intimate contact possible with every single strata of the district. I realize the weakness of our community resources so that a family wishing, as a family, to help, can't find resources, even in a most elemental way, in the case of retardation. You know, we have set up organizations and local county agencies, but the problem really remains very much unaddressed, as far as realistic available help to that individual family that wants to maintain the unity of the family.

I speak of cases where a very model family, parents that have been most resourceful, responsible, creative members of the community, yet suddenly are confronted with an imponderable question of a 15-year-old addicted to drugs. What does a family do, even with all the resources? Because the social forces and pressures are such that it transcends the available resources a specific family has. The same problem arises with the elderly members of the family. And as Mr. Stein pointed out, the feeble elderly.

So that this testimony this morning is the best I've been the most eloquent and the most frank I've heard since I've been a member of this committee, and I have been a member of this committee since I came 24 years ago.

So I don't tell you it wasn't new ground, we are for your presence, your testimony, which is going to be most helpful in our being able to recognize and hold our end of the partnership while we're under common and serious attack.

Mr. Carper:

Mr. CARPER. I would echo the sentiments of the chairman. I am going to have to leave to attend another meeting, but I wanted just to have an opportunity to thank my friend Mark Talisman and his friends and colleagues that are here with him today for your testimony. We appreciate it and thank you all. Thanks.

Mr. TALISMAN. Mr. Chairman, I would make an offer to the committee. We will be having the Council of Jewish Federations General Assembly in Washington in November. Several of your colleagues on relevant subcommittees have chosen to hold field hearings for the whole private sector within the context of that General Assembly in Atlanta and elsewhere, and I would offer all our assistance to do the same when they arrive, so that we can update from—the entire sector, not only ours, any assistance we can be to the subcommittee members and the committee.

Chairman GONZALEZ. That's a splendid suggestion, and let me say, as chairman, I accept it and will place it before the subcommittee and get majority approval. But that has been our intention, incidentally. Also, I might say that our staff director, as was reported, has visited, and we want to follow through in the name of the subcommittee, as soon as our staff director gives us some report and direction. So we'll be in touch with those who are active here in the District of Columbia, and maybe perhaps even in the Baltimore area.

Mr. TALISMAN. You should know that there was a little news report that appeared to be a national release about a so-called "foundation" that was established to help the mentally disabled in regard to housing. Even though it turned out to be the report you just heard, we were deluged with requests for information from all of the 50 States, the level of need is so great. It's enormous.

Chairman GONZALEZ. Oh, yes. It is enormous. And I might say that if we are able to get a copy of the report you referred to earlier, in time, we will incorporate it as part of the proceedings of the hearings.

Mr. TALISMAN. And also, I forgot to mention that there is a very voluminous independent study of the work of the National Emergency Food and Shelter Board, which will also be made available to you. I'm rather chary of even giving it to you, because it is an extremely complimentary report about the work of the National Board, and I—

[Laughter.]

Chairman GONZALEZ. Well, we make allowances for the customary modesty. [Laughter.]

Mr. TALISMAN. My great grandmother said that was all right, as long as you don't inhale it. [Laughter.]

Chairman GONZALEZ. Well, there's a lot of truth there!

[For additional material submitted by Mr. Talisman, see commencing with p. 1344.]

Chairman GONZALEZ. I might point out before the panel is dismissed that the absent members have conflicting commitments. As you noticed, we had a fairly good sampling of members earlier. For instance, we lost Ms. Oakar, because she's part of the escort committee that's welcoming for a joint session presenting the President of Italy, and she's going to escort him or has by this time escorted him in. And so she couldn't remain, but she wanted to. Some of the other members may or may not be able to return. In my case, I took the position that unless there was some objection, we would not delay the witnesses, some of whom have traveled some distances and proceed with the presentations.

The other members each will have a copy of your testimony. They may have questions they might submit in writing you in time for you to review the transcript of your testimony and the proceedings here. When you get that transcript, of course, you may revise, modify, as you may see fit, and then if there are any questions submitted by an individual member, please include your answers.

But we're deeply grateful to you for your time and what you're doing in your own individual right. It's beautiful, and we're very grateful.

Mr. TALISMAN. Thanks, Mr. Chairman.

Chairman GONZALEZ. Thank you.

Our next panel consists of Mr. James Womack, the director of the Housing Department, National Council of Senior Citizens, Washington, DC, Mr. Richard Mapp, vice president, National Caucus and Center on Black Aged, Inc., Washington, DC, Mr. Herbert H. George, American Association of Retired Persons Volunteer for the State of Montana, Mr. John R. Glenn, president, the National Church Residences, Columbus, Ohio, testifying on behalf of the American Association of Homes for the Aging, and the Rev. Norman B. Crook, administrator, Bethany Homes, Inc., Haverhill, MA, testifying on behalf of the American Association of Homes for the Aging.

And I might point out that our ranking minority member and colleague, the very respected Chalmers Wylie is on his way here, so that he may introduce our witness from Columbus, Ohio. I understand he is his constituent, and we're waiting for him, but in the meanwhile, we'll proceed in the order of listing and recognize—unless one of the witnesses has a time problem, that is, a plane to catch or some time exigency—we'll proceed by recognizing Mr. Womack, who is the director, Housing Department of the National Council of Senior Citizens of Washington, DC.

STATEMENT OF JAMES L. WOMACK, DIRECTOR, HOUSING DEPARTMENT, NATIONAL COUNCIL OF SENIOR CITIZENS, WASHINGTON, DC

Mr. WOMACK. Good morning, Mr. Chairman. Thank you very much. I'm Jim Womack. I am the director of housing for the National Council of Senior Citizens, located here in Washington, DC.

I have prepared testimony which has been given to the subcommittee for its consideration in deliberating about the 1985 Housing Act

which the chairman has authored for consideration by the Congress.

The National Council of Senior Citizens has been quite active with the Section 202 Program since its reauthorization in 1974. As a cosponsor with several local senior citizen groups and together with other agencies around the Nation, the National Council itself has developed over 2500 units of 202 housing, and together with other social organizations and senior citizen groups has developed since 1974 to date, almost 6000 units nationwide, including Puerto Rico, housing which would house the elderly.

The need of elderly housing has been espoused by many groups over the years since the reauthorization of the 202 Program, and it is quite phenomenal, given the resolutions from the White House Conference on Aging, from testimony before this committee in previous sessions, that to date—the Nation—still have not answered or responded, in our opinion, to the need of housing for senior citizens. With this most recent allocation through the Department of Housing and Urban Development, we will be slightly over 200,000 units, and yet today, we still know that there are over a quarter of a million people on the waiting lists, Mr. Chairman, which, in most instances, have been closed for several years.

In testimony given to another committee, it was pointed out that the Department of Housing and Urban Development has not even published for public review, the resource data or listing of buildings and homes in the 202 Program since 1979. In a recent survey conducted by the Senate, it's also pointed out that the majority of the housing that has been developed through the 202 Program did not hit occupancy until well after that date.

So therefore, there are a number of senior centers in communities which do not know that there are elderly buildings out there.

Given these two aspects, many, many elderly don't apply, either because they don't know that the building is in a community, and, even if they did, the building no longer accepts applications, lest more seniors become discouraged. It is a terrible situation to have seniors approach you for housing, and your turnover in the last year has been 5 to 10 units, and there is no way that they will ever be housed in your building, when you have 200, 300 people on your waiting list today.

In a recent report, it was reported that some 21 persons for every unit that has been turned over in the last year are still waiting for hearing. And, as previously pointed out with the other panels, many, many elderly persons don't apply.

Considering that the administration has proposed for a 2-year moratorium period, I'd like the subcommittee to look at the progress that this program has made beyond just housing the elderly. It's been noted that it's a feather in HUD's cap that this program exists and operates very well. The nonprofit community of senior citizen housing has met and is meeting its commitment which the Congress has requested it to do in the 1959 Housing Act—to construct and develop housing that has a program base which responds to the needs, accessibility and social services requirements of the elderly.

We in the nonprofit community have brought to bear our resources, our experience with the bricks and mortar that Housing

and Urban Development has given to us through direct loans to provide such housing for the elderly. We have lived up to our commitments by reimbursing the Department on the direct loans. It is noted that only one default has ever occurred in the 202 Program, less than 1 percent of the program. Can this be said of the many other housing programs with the Department of HUD?

In a recent survey, it was pointed out that the nonprofit community has brought to bear, on average, some six different social service programs to aid and assist the elderly to maintain their independent living standard and to be a resource to their community.

We house not only low-income but very low income senior citizens. A recent request, by Congress, which gave rise to a report was: Who do we house? Are we housing the lower income senior citizen? Concern over who we house also gave rise to some recent legislation which reduced the income limits. And yet, the study found that over 90 percent of the 202 housing in this Nation house not only lower income senior citizens but the very low income senior citizens.

I would submit to the committee, Mr. Chairman, that many of the programs which the administration has offered such as the Voucher Program, many of the tax concepts, really don't address the needs of the type of senior citizen that we see being housed in the Section 202 Program.

Seniors with a certificate will not find a lot of buildings with handrails in the hallways so that they can get about. They will not find grab bars, they will not find emergency pull cords, they will not find common dining facilities.

Many of the aspects which have been designed into this program have brought better living standards which bring about a longer life span of independent living, cannot be found by traversing the streets of our urban communities and locating such housing.

I would submit to the committee that, when considering Section 202 Program, that these issues be remembered. Because we do need the housing, the allocation, and authorization which you, Mr. Chairman, have proposed in this legislation. The proposed legislation fully responds to the recommendations that were made by the White House Conference on Aging and is an answer to the President's plan that has been decried from the voices of elderly throughout this Nation.

We need the housing today. We don't need a dried-up pipeline that we will see in the next few years. Because we are doing the job and we are supplying the housing that has been allocated, I would submit to you that we need much more.

Thank you.

Chairman GONZALEZ. Thank you very much, Mr. Womack.

And the testimony that you prepared and gave us will be introduced for the record as well as your summarization.

[Mr. Womack's prepared statement, on behalf of the National Council of Senior Citizens, follows:]

Statement by
James L. Womack, Director
National Council of Senior Citizens Housing Department
on
Section 202 Elderly Housing Program
before the
Subcommittee on Housing and Community Development
House Committee on Banking, Finance and Urban Affairs
March 6, 1985

Mr. Chairman and members of the Subcommittee, I am James L. Womack, Director of the Housing Department for the National Council of Senior Citizens. The National Council of Senior Citizens has been involved with the Section 202 Elderly Housing Program since its reauthorization by the Congress in 1974. The National Council has assisted several non-profit senior citizens and other social service organizations to develop over 6,000 units of elderly housing. The National Council itself is the sponsor of nearly 2,500 units of Section 8 assisted Section 202 properties. These properties are located throughout the United States and Puerto Rico.

The Section 202 Elderly Housing Program has been proclaimed by the Administration, members of Congress, and the low income citizens served by this program, as the best of the U.S. Department of Housing and Urban Development (HUD) housing programs. The program's flexibility, offering design and supportive service opportunity to those who are "independent-living" senior citizens and handicapped persons, has stood the test of 11 years, bringing a better living situation to those of low income. The facilities that have been developed thus far have brought a decent and affordable living situation to nearly 190,000 households.

However, despite such aspects as the advancements in health care, which enables more seniors today to enjoy longer "independent-living" conditions, the President has proposed a two year moratorium on the development of additional units to house these and future seniors. With the growing segment of our nation's population becoming 62 years of age at an average rate of nearly 20 percent annually, the nation has produced less than 200,000 program units since 1974.

In 1984, HUD allocated slightly over 13,000 units nationwide, one unit for every 21 persons already determined to be eligible and waiting for an opportunity to be housed. This ratio ignores the fact that over 45 percent of the Public and Section 8 housing previously being developed and now without adequate funding support, also housed "independent-living" seniors. The development ratios of the last four years also disregard the fact that most Section 202 properties, though not listed in one resource document, have had their waiting lists closed for several years. We have had to close our waiting lists to avoid having more seniors become discouraged with the empty promise that they too may get an opportunity to live in this scarce, yet decent and affordable, housing resource.

The need for the program has been documented and is apparent to all that have this proposed legislation before them for approval. However, there are several items that we believe the Congress should be aware of before it considers rejecting the proposed legislation known as The Housing Act of 1985, or imposing a "freeze" or worse yet, a "moratorium" on the Elderly Housing Program.

You should know that the non-profit community of sponsors and owners of Section 202 projects, unlike any other housing program in this nation, have faithfully and consistently repaid the

Direct Loans that you have authorized since 1957. It is the nearly 1,300 properties developed in 1957. They are the first into default. It is generally an investment in the future of this nation's senior citizens that has not resulted in the same kind of financial program activities.

When we consider the appropriate services and facilities for non-profit sponsors, construction will be undertaken in the properties, and the major design and construction will be the construction of the buildings. Millions of dollars are being expended by not having to investigate what will happen to the alternatives like housing loans and other programs which have and still today raise many independent issues. It is estimated, based upon a study made by the Housing Administration, that nearly 30 percent of the typical housing unit built in the past cost is paid for through the Federal Housing Administration system.

The program, since its inception, has been authorized by Congress to provide housing to the lower income elderly. Over 30 percent of the housing units available for the program have and are currently housing the elderly. The senior citizens, nearly 75 percent of the population are single female households living on Social Security income. These statistics are not any different than the estimated 2 million senior citizens households that are in need of housing assistance and are unable presently to obtain such assistance.

A Certificate of Tender housing approach is the responsibility to the elderly person that needs and is seeking a housing program of the type offered by the Section 203 Program. A tax incentive or Benefit approach has not provided this nation with a significant solution to housing the low income elderly persons. The low

income elderly and handicapped person living on a fixed income cannot, at will, respond to the economic laws of supply and demand that are inherent in the private housing marketplace. In fact, because of the reductions made in the federal housing assistance program in the last several years, the elderly now, and in the near future, will be placed into the precarious and "no-win" situation of competing for housing beyond their financial reach.

Mr. Chairman and members of the Committee, The Housing Act of 1985 reaffirms the basic tenets of the Section 202 Program. The Act once again will breathe life into a vital responsibility that we have to ensure; that our low income senior citizens have affordable, safe, accessible and suitable housing resources available when they reach 62 years of age or become disabled and handicapped. The Housing Act of 1985, as proposed, contemplates and will implement the quantity of housing recommended by the White House Conference on Aging for the Section 202 Elderly Housing Program.

Mr. Chairman and members of the Committee, the National Council of Senior Citizens, together with its membership of over four million senior citizens, supports the alternative approach expressed in the Act to house our nation's low-income elderly citizens with a meaningful authorization of housing for the Section 202 Housing Program.

Mr. Chairman, we thank you for the opportunity given to us to express our views on reversing a housing crisis trend that has developed for the low-income elderly in our nation.

Chairman GONZALEZ. We'll next recognize Mr. Simmons. Samuel J. Simmons, president, National Caucus and Center on Black Aged, Inc., Washington, DC.

Mr. MAPP. Mr. Chairman, and members of the Subcommittee on Housing and Community Development.

The National Caucus and Center on Black Aged welcomes the opportunity to testify on H.R. 1, the Housing Act of 1985.

Mr. Chairman, at the outset, I would like for the subcommittee to know that my name is Richard Mapp. I am the vice president for the National Caucus and Center on Black Aged. Mr. Simmons, our president, unavoidably and suddenly could not be here this morning and he asked me to come here to represent him.

Chairman GONZALEZ. Thank you very much. The record will reflect that you are substituting for him.

Mr. MAPP. Thank you.

STATEMENT OF RICHARD MAPP, VICE PRESIDENT FOR THE NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC.

Mr. MAPP. NCBA wishes to express its general support for the key concepts of H.R. 1. We strongly believe that the Federal Government should not abandon its commitment to providing decent and affordable housing for Americans.

We believe that Federal housing programs should be continued rather than scuttled. Elderly blacks and other low-income older Americans have already paid a heavy price because of substantial cuts in housing programs during the past 4 years.

The recent budgetary proposals to eliminate all funding for new housing construction and virtually all other housing assistance will only make a very bad situation even worse. Older Americans would be victimized by these proposals because nearly 45 percent of all residents of HUD-assisted housing are 62 years or older. Elderly blacks are heavily represented among the residents of federally-assisted housing, especially in public housing.

H.R. 1 is needed to send a message to the Appropriations Committees and the White House that Congress wants Federal housing programs to be extended. Your recommendation for a 1-year extension, Mr. Chairman, is a reasonable compromise, although our preference is for at least a 2-year continuation.

I shall focus my testimony primarily on the housing needs of older blacks.

Aged blacks are among the most economically deprived groups in our society today by any standard one would chose to use. They are more than three times as likely to be poor as elderly whites. Moreover, one out of every two blacks 65 years or older is either poor or marginally poor.

Perhaps the most visible sign of deprivation among older blacks is in the area of housing. Large numbers of elderly blacks now live in dilapidated, deteriorating or otherwise structurally unfit housing. The net impact is that many find themselves in an impossible housing situation.

Their homes may be old, crumbling, and deteriorating. Yet, they lack the financial resources or the skills to repair their dwellings

to make them more habitable. This is further intensified by rising property taxes and costs.

The net impact is that older blacks are frequently trapped within their present, unsuitable living arrangements because appropriate and affordable alternative housing such as an apartment, shared housing, or other arrangements, are usually not available or at a price within their reach.

Quite clearly, the high cost of housing is imposing an onerous burden upon older black Americans. A study conducted by the Andrus Gerontology Center at the University of Southern California found that twice as many older blacks reported great difficulty in paying for home repair and maintenance costs than aged whites in Los Angeles County.

The 1980 Census report provides clear and convincing evidence that older blacks are more likely to live in dilapidated, deteriorating or otherwise unfit housing than most other age groups.

For example, elderly blacks are 3½ times as likely to be without plumbing for their exclusive use than aged whites. About 3 out of 7 houses occupied by older blacks lack central heating. Aged blacks are almost 2½ times as likely to live in housing without central heating than elderly whites.

The goal of a decent living environment has long been articulated as Federal policy. H.R. 1 would enable our Nation to advance toward that goal.

NCBA particularly supports the measure to provide lending authority to fund 22,500 section 202 housing units. This is nearly double the current level projected for the current fiscal year.

However, section 202 housing has experienced sharp reductions in recent years. In fiscal year 1979, the program funded 20,444 units. Since that time, the number of section 202 units has declined by 41 percent, from 20,444 in 1979 to an estimated 11,600 in 1985.

Section 202 has been one of the most effective housing programs ever enacted. It has provided quality and affordable housing tailor-made for older Americans.

Its value and worth have been amply demonstrated over the years. Quite clearly, section 202 is a program that deserves to be continued. NCBA further believes that section 202 should be expanded along the lines in H.R. 1. We fully recognize that this will be an extremely difficult task because of the budget situation. But, H.R. 1 can be a good launching point for negotiating a suitable number of section 202 units to be financed.

NCBA also strongly believes that section 8 should be continued. It is crucial that section 8 and section 202 work in tandem because many aged blacks and other low income older Americans simply cannot afford to pay the rent in a section 202 project without section 8.

Overall, H.R. 1 would provide authority to fund approximately 284,000 public housing units, nearly 175,000 HUD-assisted units, and almost 109,000 rural housing units. It would provide an appropriate mix of public housing, section 8 assistance, and section 202 housing for the elderly and handicapped.

NCBA strongly supports the measure to bolster public housing. H.R. 1 would make it possible to more than triple the number of public housing units from the fiscal 1985 level of 5,000 to 16,500.

This is especially important because older blacks constitute a significant percentage of all public housing tenants. In fact, public housing provides more housing for aged blacks than all other programs.

Our Nation's housing commitment must focus on those with the greatest needs. Therefore, it is absolutely essential that any housing policy make adequate provision for public housing for low-income persons. Without public housing, many poor individuals would live in unfit housing or would not be able to locate any suitable housing at all.

NCBA also supports the \$10-million authorization for the Congregate Housing Services Program. This would be nearly 2½ times the current funding level of 4.1 million.

Housing must be more than just bricks and mortar. Quite frequently, shelter must be combined with services to assist older persons to continue to live independently in their own homes instead of nursing homes.

Congress recognized this need in 1978 when it authorized funding on a longer term basis for congregate housing services. No funding is provided in the fiscal year 1986 budget for this program, despite its great potential.

NCBA believes that congregate housing services should be continued as an ongoing program, and its budget should be increased. It should also be a cornerstone in our Nation's housing strategy to improve the quality of life, for at-risk older persons who may wind up in a nursing home at a significantly higher public expense. Some estimates project that 40 percent of all nursing home residents do not need full institutional care but simply require supportive services such as meals, homemaker services, or personal care assistance.

Congregate housing services are not only humane but also make sense economically for our Nation and older persons. Quite clearly, funds committed for congregate services can provide a substantial financial dividend by preventing unnecessary or premature institutionalization.

We know a great need already exists for congregate housing. The 75-years of age plus population, of course, runs a much greater risk of being institutionalized. However, they can continue to live independently in their own communities if we respond with an appropriate and timely services and housing strategy to meet their special needs.

Mr. Chairman, H.R. 1 would also continue rural housing programs administered by the Farmers Home Administration. The fiscal year 1986 budget would eliminate Farmers Home Administration housing programs including the section 504 very low income housing repair grants, section 502 direct loans, and section 515 loan programs for rental construction.

NCBA believes that it is vital to maintain these housing programs because some of the worst housing conditions in our Nation abound in rural slums. Elderly blacks, particularly those living in the rural South, inhabit much of this structurally unfit housing. In fact, about three out of five older blacks live in southern States and the District of Columbia.

NCBA wishes to express its concern about the voucher system. The harsh reality is that this approach may simply subsidize inadequate housing without improving the supply of quality housing for the elderly poor. We are deeply concerned that aged blacks may be the big losers if a voucher system should replace future commitments to build section 202, section 8, and public housing.

The supply of rental housing for older Americans is already limited. Low income older blacks are especially hard hit by our Nation's failure to develop affordable and pleasant apartment units since they are much more likely to be renters. In 1980, older blacks were nearly 1½ times as likely to be renters than elderly whites.

A voucher system which simply funnels money from an already inadequate number of quality housing units will not increase the supply but it will increase demands which almost assuredly will drive up the present high housing costs.

NCBA is concerned that a voucher system will only worsen the tight housing situation for elderly blacks and other low-income older Americans by forcing them to pay more from their already limited income for inadequate and poor quality housing.

Mr. Chairman, in conclusion, housing is the elderly's number one expenditure. Many older Americans spend at least one-third of their income for housing, and a significant percentage spend substantially more—especially low-income elderly persons who are unable to live in federally-assisted housing.

H.R. 1 would help to assure that many more low-income older persons could be suitably housed and at an affordable price for the tenant. It represents a thoughtful and constructive approach to responding to one of the most serious problems confronting older Americans especially low-income older blacks.

For these reasons, NCBA reaffirms its strong support for H.R. 1 and its fundamental goal to maintain our Nation's commitment to providing a decent living environment for Americans.

We thank you for the opportunity to present our testimony before your subcommittee. I'll be happy to answer any questions you may have later.

Thank you.

Chairman GONZALEZ. Thank you very much, Mr. Mapp.

[Mr. Mapp submitted the prepared statement of Samuel J. Simmons, president and chief executive officer of the National Caucus and Center on Black Aged, Inc., on behalf of the center.]

PREPARED STATEMENT OF SAMUEL J. SIMMONS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC.

Mr. Chairman and Members of the Subcommittee on Housing and Community Development, the National Caucus and Center on Black Aged welcomes the opportunity to testify on H.R. 1, the 1985 Housing Act. At the outset, NCBA wishes to express its general support for the key concepts of H.R. 1. We strongly believe that the federal government should not abandon its commitment to providing decent and affordable housing for Americans.

We believe that federal housing programs should be continued, rather than scuttled. Elderly Blacks and other low-income older Americans have already paid a heavy price because of substantial cuts in housing programs during the past four years.

The recent budgetary proposals to eliminate all funding for new housing construction and virtually all other housing assistance will only make a very bad situation even worse. Older Americans would be victimized by these proposals because nearly 45 percent of all residents of HUD-assisted housing are 62 years or older. Elderly Blacks are heavily represented among the residents of federally-assisted housing, especially in public housing.

H.R. 1 is needed to send a message to the Appropriations Committees and the White House that Congress wants federal housing programs to be extended. Your recommendation for a one-year extension is a reasonable compromise, although our preference is for at least a two-year continuation.

General Background

As President and Chief Executive Officer of the National Caucus and Center on Black Aged, I shall focus my testimony primarily on the housing needs of older Blacks.

Aged Blacks are among the most economically deprived groups in our society today by any standard one would choose to use. They are more than three times as likely to be poor as elderly Whites. Moreover, one out of every two Blacks 65 or older is either poor or marginally poor.

Perhaps the most visible sign of deprivation among older Blacks is in the area of housing. Large numbers of elderly Blacks now live in dilapidated, deteriorating or otherwise structurally unfit housing. The net impact is that many find themselves in an impossible housing situation. Their homes may be old, crumbling and deteriorating. Yet, they lack the financial resources or the skills to repair their dwellings to make them more habitable.

This is further intensified by rising property taxes and costs. The net impact is that older Blacks are frequently trapped within their present unsuitable living arrangements because appropriate and affordable alternative housing -- such as an apartment, shared housing or other arrangements -- are usually not available or at a price within their reach.

Quite clearly, the high cost of housing is imposing an onerous burden upon older Black Americans. A study conducted by the Andrus Gerontology Center at the University of Southern California found that twice as many older Blacks reported great difficulty in paying for home repair and maintenance costs than aged Whites in Los Angeles County.

The 1980 Census report provides clear and convincing evidence that older Blacks are more likely to live in dilapidated, deteriorating or otherwise unfit housing than most other age groups. For example,

elderly Blacks are 3½ times as likely to be without plumbing for their exclusive use than aged Whites (8.4 percent vs. 2.4 percent). About three out of seven (43.5 percent) houses occupied by older Blacks lack central heating. Aged Blacks are almost 2½ times as likely to live in housing without central heating than elderly Whites (43.5 percent vs. 18.4 percent).

The goal of a decent living environment has long been articulated as federal policy. H.R. 1 would enable our nation to advance toward that goal.

Expansion of Section 202 Housing for the Elderly

NCBA particularly supports the measure to provide lending authority to fund 22,500 Section 202 Housing for the Elderly and Handicapped units. This is nearly double the current level projected for the current fiscal year (11,600 units).

Section 202 housing has experienced sharp reductions in recent years. In fiscal year 1979, the program funded 20,444 units. Since that time, the number of section 202 units has declined by 41 percent, from 20,444 in 1979 to an estimated 11,600 in 1985.

Section 202 has been one of the most effective housing programs ever enacted. It has provided quality and affordable housing tailor-made for older Americans.

Its value and worth have been amply demonstrated over the years. Quite clearly, section 202 is a program that deserves to be continued. NCBA further believes that section 202 should be expanded along the lines in H.R. 1. We fully recognize that this will be an extremely difficult task because of the budget situation. But, H.R. 1 can

be a good launching point for negotiating a suitable number of section 202 units to be financed.

NCBA also strongly believes that section 8 should be continued. It is crucial that section 8 and section 202 work in tandem because many aged Blacks and other low-income older Americans simply cannot afford to pay the rent in a section 202 project without section 8.

Public Housing

Overall, H.R. 1 would provide authority to fund approximately 284,000 housing units, nearly 175,000 HUD-assisted units and almost 109,000 rural housing. It would provide an appropriate mix of public housing, section 8 assistance, and section 202 housing for the elderly and handicapped.

NCBA strongly supports the measure to bolster public housing. H.R. 1 would make it possible to more than triple the number of public housing units, from the fiscal 1985 level of 5,000 to 16,500.

This is especially important because older Blacks constitute a significant percentage of all public housing tenants. In fact, public housing provides more housing for aged Blacks than all other programs.

Our nation's housing commitment must focus on those with the greatest needs. Therefore, it is absolutely essential that any housing policy make adequate provision for public housing for low-income persons. Without public housing, many poor individuals would live in unfit housing or would not be able to locate any suitable housing.

Congregate Housing

NCBA supports the \$10-million authorization for the Congregate Housing Services program. This would be nearly 2½ times the current funding level (\$4.1 million).

Housing must be more than just bricks and mortar. Quite frequently, shelter must be combined with services to assist older persons to continue to live independently in their own homes, instead of nursing homes.

Congress recognized this need in 1978 when it authorized funding on a longer term basis for congregate housing services. No funding is provided in the fiscal year 1986 budget for this program, despite its great potential.

NCBA believes that congregate housing services should be continued as an ongoing program, and its budget should be increased. It should also be a cornerstone in our nation's housing strategy to improve the quality of life for "at risk" older persons who may wind up in a nursing home at a significantly higher public expense. Some estimates project that 40 percent of all nursing home residents do not need full institutional care, but simply require supportive services, such as meals, homemaker services or personal care assistance.

Congregate housing services are not only humane but also make sense economically for our nation and older persons. Quite clearly, funds committed for congregate services can provide a substantial financial dividend by preventing unnecessary or premature institutionalization.

We know a great need already exists for congregate housing. The

75-plus population, of course, runs a much greater risk of being institutionalized. However, they can continue to live independently in their own communities if we respond with an appropriate and timely services and housing strategy to meet their special needs.

Farmers Home Administration

H.R. 1 would also continue rural housing programs administered by the Farmers Home Administration. The fiscal year 1986 budget would eliminate Farmers Home Administration housing programs, including the section 504 very low-income housing repair grants, section 502 direct loans, and section 515 loans for rental construction.

NCBA believes that it is vital to maintain these housing programs because some of the worst housing conditions in our nation are found in rural slums. Elderly Blacks, particularly those living in the rural South, inhabit much of this structurally unfit housing. In fact, about three out of five older Blacks live in southern states and the District of Columbia.

Voucher System

NCBA wishes to express its concern about the voucher system. The harsh reality is that this approach may simply subsidize inadequate housing without improving the supply of quality housing for the elderly poor. We are deeply concerned that aged Blacks may be the big losers if a voucher system should replace future commitments to build section 202, section 8, and public housing.

The supply of rental housing for older Americans is already limited.

Low-income older Blacks are especially hard hit by our Nation's failure to develop affordable and pleasant apartment units, since they are much more likely to be renters. In 1980, older Blacks were nearly 1½ times as likely to be renters than elderly Whites (42.2 percent vs. 27.9 percent).

A voucher system -- which simply funnels money for an already inadequate number of quality housing units -- will not increase the supply. But, it will increase demands, which almost assuredly will drive up the present high housing costs.

NCBA is concerned that a voucher system will only worsen the tight housing situation for elderly Blacks and other low-income older Americans by forcing them to pay more from their already limited income for inadequate and poor quality housing.

Conclusion

In conclusion, housing is the elderly's number one expenditure. Many older Americans spend at least one-third of their income for housing, and a significant percentage spend substantially more -- especially low-income elderly persons who are unable to live in federally-assisted housing.

H.R. 1 would help to assure that many more low-income older persons could be suitably housed and at an affordable price for the tenant. It represents a thoughtful and constructive approach to responding to one of the most serious problems confronting older Americans, especially low-income older Blacks.

For these reasons, NCBA reaffirms its strong support for H.R. 1 and its fundamental goal to maintain our nation's commitment to providing a decent living environment for Americans.

Chairman GONZALEZ. Mr. George, if you're in a position to do so, I'd like to have your consent in recognizing my colleague, Mr. Wylie, who in turn would like to present Mr. Glenn, who is his constituent; if you have no objection. Our colleague may have to run off again. He has various complications here.

Mr. WYLIE. Thank you very much, Mr. Chairman, and thank you, Mr. George, both of you, for allowing me the courtesy of introducing a good friend and constituent, the Reverend John Glenn, who is president of the National Church Residences, and I might add, Mr. Chairman, he is no relation to Senator John Glenn, but that is a coincidence of names there. They lived not very far from each other for a little while.

Anyhow, the National Church Residences is a real heavy hitter in the elderly and handicapped housing program. As a matter of fact, it is one of the largest sponsors of the 202 Housing Program in the country, and since the reauthorization of the program in 1974, they have sponsored 50 projects valued at \$175 million, and I think I am correct in saying that they are now serving over 5,000 senior citizens in projects that they have constructed.

So it is an honor and a privilege for me to introduce to you this morning the Reverend John Glenn, who will be testifying on behalf of the American Association of Homes for the Aging.

Thank you, Mr. Chairman.

Chairman GONZALEZ. Thank you.

Mr. Glenn.

STATEMENT OF REV. JOHN R. GLENN, PRESIDENT, NATIONAL CHURCH RESIDENCES, COLUMBUS, OH, ON BEHALF OF THE AMERICAN ASSOCIATION OF HOMES FOR THE AGING

Mr. GLENN. Chalmers, I have never been introduced by a distinguished Congressman. Thank you. I appreciate your coming. Glad you are feeling well.

Mr. WYLIE. Thank you, sir.

Mr. GLENN. As Chalmers obliquely indicated, you know that there is another individual, an astronaut from Ohio, who came to Washington.

I was in a home in Cleveland one day, and one of the Jewish residents came up to me—the former panel members would have appreciated this—and said, “did you know John Glenn was Jewish?” I said, “No, I thought he was a Presbyterian.” He said, “Oh, no, he made three passovers, meaning orbits, and he is Jewish. [Laughter.]”

I thought it was kind of cute for a 90-year-old to have a sense of humor.

As indicated, we are a major developer in the Section 202 Program, and we are here on behalf of, as Chalmers indicated, the American Association of Homes for the Aging, commonly referred to as AAHA.

And I would like to thank you, Mr. Gonzalez and this committee, for conducting hearings on H.R. 1, which we consider extremely important because it provides the opportunity to cement the Federal Government's responsibility for ensuring the availability of decent, affordable housing for this Nation's older citizens.

The Subcommittee of Housing and Community Development and the Banking, Finance and Urban Affairs Committee have been instrumental through the years, as you well know—and as you indicated, Mr. Chairman, you have been concerned about this for 24 years—you have kept the needs of senior Americans before the American public, and particularly Congress, and we applaud and congratulate you on your concern and compassion for older Americans, and we are here to augment what has already been said here on this panel, and particularly was said so eloquently by the B'nai B'rith individuals who presented statistics, which we will cover quickly.

Chairman GONZALEZ. Mr. Glenn, I might admit for the record that I am in a conflict of interest. I am over 65 now.

Mr. GLENN. Well, one more year, sir, and I will join you. We are all getting there. [Laughter.]

And that brings me to my next point, that you and I and all of us are among the fastest growing segment of this country's population Americans over 65, and that population has doubled since 1950.

Today, we need to be aware, I think, that one out of every five households is now headed by an older American, and over 14 percent of all older Americans are living below the poverty level.

According to a recent poll, among the great concerns of seniors, in addition to personal finances, is meeting their housing needs. This is one of the primary fears that plague the seniors of this country.

Their concern over availability of existing and future housing is clearly warranted. Decent and affordable housing and living arrangements suited to the elderly's special needs are in desperately short supply.

National Church Residences, NCR, has had facilities where we have had 20 applicants for every available apartment. It is great to be able to say to one person you can have an apartment, but it is pretty tough to say to the other 19 that you can't.

We have waiting lists, which have already been referred to, where people will not get in for 5 or 10 years. In some cases, they will never get in because they are going to be dead before there is an available apartment for them. It is tragic, and something that I think this country needs to face up to, that even older Americans able to afford decent housing in the market cannot find units specifically constructed with special design features and services to meet their particular needs which permit them to maintain independent lifestyles, certainly a quality of life I think all of us as we grow older want to maintain.

As you indicated, Mr. Chairman, the Government has been involved in elderly housing for as long as you have been here and maybe one year more. Even so, nearly 20 percent of all elderly households live in housing considered inadequate or substandard. Nearly half of all seniors live on poverty incomes, spending at least 45 percent of their limited incomes on housing. This problem is particularly acute among older women and, as has been indicated by the panel, minorities.

Now, 3.5 million people—and Washington is a city of statistics, and sometimes we forget that statistics are human beings—3.5 mil-

lion, a half of the population of New York City or its equivalent, live on incomes of less than \$5,000 a year. How in the world they do it is beyond me, and I sure thank God that I don't have to try to.

Given this great need, AAHA finds much to support in the federal housing policy outlined in the Housing Act of 1985. We believe that the approach taken in H.R. 1 is correct and consistent with what we perceive as the nation's continuing commitment to decent, affordable housing for older Americans.

Your proposal, Mr. Chairman, stakes out an alternative view of our Government's role in housing, which stands in marked contrast to the current administration's proposals.

AAHA supports the chairman's continued reliance on section 8 existing and moderate rehab programs, which are proposed at levels which would support 55,000 and 30,000 units, respectively.

AAHA believes that these two programs are the most appropriate vehicles available for providing low-income housing assistance, as they promote both rehabilitation of the existing rental stock and construction of added new units.

In the same vein, we are pleased to see that no funding vouchers—and everybody here has spoken against them—because they assume an existing quality stock of available housing and ignore the need for rehabilitation and construction of new units. From an elderly housing perspective, vouchers are especially inappropriate, as they place the frail elderly in competition with younger, more mobile families, and we think this is tragic and unfortunate.

AAHA supports the inclusion in H.R. 1 of adequate levels of operating subsidies and modernization funds for public housing, which continues to house a large number of elderly residents. We believe nearly half of all the public housing residents are seniors, and this stock certainly needs to be maintained and preserved.

Finally, Mr. Chairman, your bill appropriately takes into account the specialized and pressing needs for rural assistance, which my colleagues already referred to but which is ignored in the President's budget proposals.

I happen to be a hillbilly farm kid. Some of you are football fans. You have heard of Slippery Rock, PA? My hometown. [Laughter.]

We also have one of the largest of NCR's facilities, with nearly 600 residents, in Appalachia, in a county in Ohio of only 20,000 people, and it is incomprehensible to everybody sitting here that there are still dirt floors that people live on.

Given this need, AAHA is encouraged by your inclusion of 109,000 units in the Farmers Home Administration, which has historically provided rural housing for the seniors of America.

As president of NCR—and as Mr. Wylie noted, it is a major developer and owner-manager of facilities—I would like to address several specific issues of H.R. 1, the provisions in it which are particularly important to AAHA's membership, starting with the Section 202 Program.

It has long been a cornerstone of the Federal housing policy for elderly. It is one of the Government's most successful housing efforts. It is a program of paramount concern to all the some 2400 AAHA members across the Nation.

It has produced high quality, durable housing for the elderly and handicapped in more than 1,800 facilities under both the original section 202 and the revised program in operation.

And I was talking to a top HUD official recently, who said there were only three facilities that ever defaulted. I don't know whether he was wrong or somebody else who said there was only one.

Anyway, there has only been a minority of section 202 projects that ever experienced financial problems, whether it has been in the mortgage obligations or in financial and management difficulties, and certainly there have been no scandals or taints in this program which has been administered by nonprofits on the behalf of senior Americans.

If the program has had any weaknesses, it is because of its limited scale. New units constructed under the program assist only a small segment of our rapidly growing elderly population.

The funding authorized in H.R. 1 would provide slightly more than 20,000 units recommended by the 1981 White House Conference on Aging as a bare minimum of the annual section 202 commitment needed to keep pace with the rising demand of the population of seniors.

So AAHA strongly supports and applauds the chairman's effort to fund section 202 at a more appropriate level to care for our seniors.

Having said that, I think we are realists and we recognize that the current political environment is such that it may be difficult to expand funding to these proposed levels. We are aware of the need for deficit reductions, but we do not believe that the older, low-income Americans should be made homeless by gutting the Federal housing programs, and therefore, we urge the subcommittee adopt a version of the Lundine reform initiative approved by this subcommittee and the House in 1983 as a more cost effective and efficient method of providing elderly housing.

If such a reform were implemented, the Section 202 Program could provide new housing productions at levels proposed in H.R. 1, but with funding roughly comparable to the current year's fiscal appropriation.

We also see considerable merit in modifying the Troubled Project Flexible Subsidy Program to provide a higher priority for funding for older section 202 facilities experiencing financial distress which precludes undertaking major maintenance and replacement projects.

AAHA will be working with the subcommittee, with your permission, in the future to initiate the appropriate legislative changes to accomplish this goal.

Reference has been made earlier in the private sector here. Let me just indicate that our first project, John Galbraith, a financier in Columbus as most of you are aware, indicated an interest and didn't bid on the project. We said to one of his senior colleagues, why? And he said, we came to the conclusion we couldn't make any money out of older low-income seniors.

All we are saying is that the private sector cannot do it, but the nonprofit with Government partnership is able to provide housing with more care and compassion and greater economy than if the Government were to seek to do it itself.

Let me talk about low-income occupancy requirements because they have plagued us as an organization, as they have our colleagues here in recent months.

Section 111 of H.R. 1 strikes the very low income occupancy requirement provision adopted by Congress in 1981 and 1983, and this is viewed by AAHA as a positive development. Under recent HUD guidelines, 100 percent of the units in newer, post-October 1981 facilities must house residents with very low incomes, those with incomes below the 50-percent area median income. Older, pre-October 1981 projects are required only to meet a 75-percent very low income requirement, with the remaining 25-percent consisting of individuals with incomes between the 50- and 80-percent area levels of income.

The current practice of permitting up to 10 percent market rate renters would be eliminated for these facilities, and we think this is unfortunate and wrong. These requirements were intended by Congress to be a national target met collectively and not a specific limit on assisted housing facilities, as HUD is now seeking to do it.

We believe that the shift to an increasing concentration of very low income residents creates three major problems:

No. 1, these changes are tantamount to a regulatory restructuring of congressional purpose underlying section 202.

No. 2, newer facilities in the areas without large concentrations of very low income populations, particularly rural communities, will experience severe financial distress.

No. 3, serious community relations problems are created by facilities as they notify persons who have been waiting on waiting lists for years that they are no longer eligible because of HUD requirements.

We have recently gone through this in a community in Michigan to our dismay and to the city's distress.

Given HUD's resistance to even minor modifications in their low-income occupancy requirements, AAHA strongly supports section 111 of the H.R. 1, striking the unrealistic targeting provisions.

Let me briefly say that in the interest of time—I think that was the noon bell for recess—that the Congregate Housing Services Program is endorsed by AAHA, and we think that the \$10 million funding level previously referred to ought to be kept.

Mandatory meals, briefly, we consider an extremely important option for section 202 facilities because of a quality of life that should be a part of the total package of housing seniors, so that—as someone previously indicated—they are simply not warehoused, but they do have a quality of life where health and welfare of residents are enhanced while combatting isolation experienced by older persons.

HUD and AAHA both have been strong advocates in the legal arena for a mandatory meals program and have been vindicated in case after case up to and including the Supreme Court of the United States.

Concerning section 8 fair market rents, quickly may I say that one issue that AAHA feels strongly about is the way HUD has changed fair market rents. Adjustments made annually to section 8 contract rents are now calculated on the basis of market data reflecting increases in operating expenses in comparable housing.

We feel that the fair market rents are neither fair nor market. They are capricious, they are arbitrary, and they reduce the rents to make the possibility of new construction in many areas extremely difficult if not impossible.

AAHA is extremely concerned that these changes in calculating fair market rents are a thinly veiled attempt by the administration and HUD to undermine the financial viability of existing and new assisted facilities. These changes are certainly not something that we could in any way support, and AAHA would urge Congress to seriously consider redesigning the section 8 fair market rent system.

The administration's housing budget is, as you know, practically zero in the face of a study by the University of Michigan that found that there was a need for over a quarter of a million new elderly housing units that need to be produced each year just to keep pace with the growing demand for elderly housing.

The administration proposes a 2-year moratorium on new assisted housing. The last moratorium that was in effect was for 1 year, but it really in reality lasted for 8, and we are scared to death that a 2-year moratorium might be extended to infinity.

AAHA is gravely concerned with the continued erosion of Federal housing efforts under the administration, and we commend you for seeking to provide a sensible level of housing that is sensitive to the needs of financial restraint.

We disagree with the massive change in policy represented in the administration's budget. The precipitous decline in assistance for new housing units guts efforts to keep pace with the growing demand for senior housing. Reduced funding for public housing subsidies and modernization threaten to destroy the quality of existing stock of public housing for the elderly.

The administrative actions imposed by HUD weaken the long-term viability of existing assisted housing facilities and make involvement of nonprofit sponsors extremely unattractive.

Hopefully, the Federal Government will continue to be an active partner with all the agencies represented here, with AAHA members, with the broader public sector in providing affordable housing that is designed and managed with the unique needs of the elderly in mind.

In conclusion, let me say that AAHA strongly supports expanded Federal involvement in providing essential housing for the elderly. Without adequate housing choices the elderly will continue to be forced into inadequate housing or housed inappropriately in costly nursing homes, and we think that is unfortunate. Certainly, living independently in section 202 housing is far superior to having to be consigned to an institution at much greater cost to the well-being of individuals and certainly also economically to communities and in the long run the Federal Government.

We thank you, Mr. Gonzalez, Mr. Wylie, and all the members of the subcommittee.

Chairman GONZALEZ. Thank you, Mr. Glenn, very much.

[Mr. Glenn's prepared statement, on behalf of the American Association of Homes for the Aging, follows.]

STATEMENT OF JOHN R. GLENN

Mr. Chairman, and members of the Subcommittee, I am John R. Glenn, President of National Church Residences, a church-sponsored nonprofit corporation based in Columbus, Ohio which is a leading sponsor of housing for the elderly under the Section 202 Elderly and Handicapped Housing Program. I am testifying on behalf of the American Association of Homes for the Aging (AAHA).

On behalf of AAHA, I would like to thank the Subcommittee for conducting hearings on H.R. 1, the Housing Act of 1985, and for providing this opportunity to comment on the federal government's responsibility for ensuring the availability of decent, affordable housing for our nation's older Americans. The Subcommittee on Housing and Community Development, and the Committee on Banking and Urban Affairs itself, have been instrumental in keeping the housing needs of older Americans before the Congress.

As the fastest-growing segment of our nation's population, Americans over age 65 have more than doubled in number since 1950. One out of every five households is now headed by an older American; and over 14 percent of all elderly persons live on incomes below the poverty level. According to a recent poll, along with personal finances, concern over meeting their housing needs is the primary fear plaguing the elderly. Their concern over the availability of existing and future housing is clearly warranted. Decent, affordable living arrangements suited to the elderly's special needs are in desperately short supply. Even older Americans able to afford decent housing

in the private housing market often cannot find units specifically constructed with special design features and services to meet their needs and permit them to maintain independent lifestyles.

Despite more than 25 years of federal involvement in elderly housing, older persons continue to be among the most poorly housed segments of American society. Nearly 20 percent of all elderly households live in housing considered inadequate or substandard. Nearly half of all elderly persons living on poverty incomes spend at least 45 percent of their limited income on housing. This problem is particularly acute among older women and minorities. Of the 3-1/2 million elderly households living on annual incomes of less than \$5,000, only 1/2 million, or one household in seven, receives housing assistance under federal programs.

Given this need, AAHA finds much to support in the federal housing policy outlined in the Housing Act of 1985 we believe that the general approach in H.R. 1 is correct and consistent with what we believe is our nation's continuing commitment to decent, affordable Housing for older Americans. The Chairman's proposed legislation stakes out an alternative view of our government's role in housing which stands in marked contrast to the Administration's proposals.

AAHA supports the Chairman's continued reliance on the Section 8 existing and moderate rehabilitation programs, which are proposed at levels which would

support 55,500 and 30,000 units respectively. AAHA believes these two programs are the most appropriate vehicles for providing low income housing assistance as they promote both rehabilitation of the existing rental stock and construction of new units. In the same vein, we are pleased to see no funding for vouchers precisely because they assume an existing, quality stock of available housing and ignore the need for rehabilitation and construction of new units. From an elderly housing perspective, vouchers are especially inappropriate as they place the frail elderly in competition with younger, more mobile families.

AAHA also supports the inclusion in H.R. 1 of adequate levels of operating subsidies and modernization funds for public housing, which continues to house large numbers of elderly residents. AAHA believes that our nation's stock of existing public housing facilities is an invaluable public resource which must be adequately maintained and preserved.

Finally, the Chairman's bill appropriately takes into account the specialized and pressing need for rural assistance, which is ignored by the President's budget proposals. The rural poor have been traditionally underserved by assisted housing programs designed with a more urban perspective, programs which often assume the availability of an existing stock of housing. AAHA is encouraged by the Chairman's inclusion of 109,000 units assisted under Farmers Home Administration Housing Programs.

Section 202.

I would like to address several specific provisions of H.R. 1 which are particularly important to our membership, starting with Section 202. The Section 202 program has long been the cornerstone of federal housing policy for the elderly. As one of the federal government's most successful housing efforts and as a program of paramount concern to AABA members across the nation, it has produced high quality, durable housing for the elderly and handicapped in more than 1,800 facilities under both the original Section 202 program and the revised program now in operation. Few, if any, of these facilities have defaulted on their mortgage obligations to the federal government, and few have experienced the financial and management difficulties experienced by other federal housing programs.

If the program has any weakness, it has been its limited scale. New units constructed under the program assists only a small segment of our rapidly growing elderly population. The funding authorized in H.R. 1 would provide slightly more than the 20,000 units recommended by the 1981 White House Conference on Aging as the minimum annual Section 202 commitment needed to keep pace with this rising demand. AABA strongly supports the Chairman's efforts to fund Section 202 at more appropriate levels.

We recognize that in the current political environment, it may be difficult to expand funding to these proposed levels. Therefore, we urge the

Subcommittee to adopt a version of the Lundine reform initiative approved by this Subcommittee and the House in 1983, as a more cost-effective method of providing elderly housing. If such a reform was implemented, the Section 202 program could provide new housing production at levels proposed in H.R.1, but with funding roughly comparable to the current fiscal year's appropriations.

We also see considerable merit in modifying the Troubled Project (flexible subsidy) program to provide a higher priority for funding for the older Section 202 facilities experiencing financial distress which precludes undertaking major maintenance and replacement projects. AAHA will be working with the Subcommittee in the future to initiate the appropriate legislative changes.

Low Income Occupancy Requirements.

Section 111 of H.R. 1, which strikes the low income occupancy requirements provisions adopted by Congress in 1981 and 1983, is viewed by AAHA as a positive development. Under recent HUD guidelines, 95 percent of the units in newer, post-October 1981 facilities must house residents with very low incomes--those with incomes below 50 percent of the area median income. Older, pre-October 1981 projects are required to meet a 75 percent very low income requirement, with the remaining 25 percent consisting of individuals with income between 50 and 80 percent of area median income. The current practice of permitting up to ten percent "market rate" renters would be eliminated for these facilities.

These requirements were intended by Congress to be a national target met collectively, not a specific limit on all assisted housing facilities. The historical distribution of such housing assistance has generally met these overall goals. Yet despite clear Conference language, as well as a colloquy last year between Senators Garn and Hatfield indicating the need for flexible implementation on a national basis, HUD has persisted in requiring targeting on a project-by-project basis with extremely limited exceptions and no guarantee of waivers based upon these exceptions. This shift to an increasing concentration of very low income residents creates three major problems: first, these changes are tantamount to a regulatory restructuring of the Congressional purpose underlying Section 202; second, newer facilities in areas without large concentrations of very low income populations, particularly rural communities, will experience severe financial distress; finally, serious community relations problems will be created for facilities as they notify persons who have been on waiting lists for years that they are no longer eligible. Given HUD's resistance to even minor modification to their low-income occupancy requirements, AAHA supports Section 111 of H.R. 1 striking the targeting provision.

Congregate Housing.

AAHA also endorses the Congregate Housing Services Program provision contained in H.R. 1, which would reauthorize this program at a level of \$10 million in fiscal year 1986. While my colleague, the Reverend Norman B. Crook

will subsequently address congregate housing in more detail, I would briefly comment that AAHA supports further development of this program as a long-term source of assistance to housing sponsors seeking to provide less costly alternative housing for the frail elderly.

Mandatory Meals.

One provision of H.R. 1 of extreme concern to our membership is Section 106(b), which would prohibit new mandatory meals programs in elderly or handicapped any facility after enactment of the Housing Act of 1985, while requiring existing programs to change to a system of voluntary participation. AAHA's members have encouraged mandatory meal programs in assisted housing facilities to enhance the health and welfare of residents while combatting isolation experienced by elderly persons by providing a structured opportunity for socializing among residents. Management has also benefited from an opportunity to unobtrusively observe the health and well-being of residents on a daily basis.

HUD and AAHA both have been strong advocates in the legal arena for mandatory meal programs as a means of providing not just housing, but a total environment for its residents. The courts, in all litigation up to and including the United States Supreme Court, have approved mandatory meals under the Section 8 program as a legitimate, proper and beneficial activity. The courts have further upheld the view that Congress, in enacting Section 202, sought to promote dining facilities in housing projects for the elderly and expressed its view that such was a socially valuable objective.

Furthermore, a recently released General Accounting Office (GAO) study found that seventy percent of elderly participants in mandatory meal programs are actually pleased with them. Eighty percent would choose to stay in these programs, even if given they choice to exit. Based upon these findings and our members experience, I find myself in the relatively unique position, given AAHA's general support of H.R. 1, of therefore opposing the prohibition of mandatory meal programs contained in the Housing Act.

Fair market Rents.

One issue which AAHA feels H.R. 1 should deal with in more depth is the major changes made by HUD to its schedules of fair market rents (FMR). Contract rent adjustments made annually to Section 8 rents are now calculated on the basis of market data reflecting increases in operating expenses in "comparable" housing. While reflecting actual cost increases is certainly a worthy goal, this change will significantly reduce project revenue over time and place an increasing number of assisted facilities in financial difficulty. HUD further changed the FMR schedules by reducing construction rents that serve as a revenue guide for new construction or substantial rehabilitation projects. HUD now includes data in its area market surveys reflecting broader economic conditions having little relationship to rents paid in assisted elderly housing facilities and much less with actual new construction and substantial rehabilitation costs. Use of this new method of calculating construction rents has led HUD, in a major policy change, to actually reduce rents for many categories in many market areas.

AAHA is extremely concerned that those changes in calculating FMRs are a thinly veiled effort to undermine the financial viability of existing and new assisted facilities. These rents are neither fair nor market, and AAHA therefore would urge Congress to seriously consider redesigning the Section 8 fair market rent system.

The Administration's Housing Budget.

A University of Michigan study has found that 240,000 new elderly housing units need to be produced just to keep pace with the growing demand for elderly housing. Despite this demand, the Administration's fiscal year 1986 Budget for the Department of Housing and Urban Development (HUD) presents a blueprint for getting the federal government out of the housing business. The Administration proposes a two-year moratorium on New Assisted Housing units, drastic cuts in programs designed to preserve the financial and physical viability of existing public housing, and a merging of the Farmers Home Administration (FmHA) rural housing programs after the moratorium with existing HUD programs.

AAHA is gravely concerned with the continued erosion of federal housing efforts under this administration. While we are sensitive to the need for fiscal restraint, AAHA disagrees with the massive change in policy represented in the Administration's budget. The precipitous decline in assistance for new

housing production guts efforts to keep pace with the growing demand for elderly housing. Reduced funding for public housing operating subsidies and modernization threatens to destroy the quality of the existing stock of public housing units. Administrative actions imposed by HUD weaken the long-term viability of existing assisted housing facilities and make involvement of nonprofit sponsors extremely unattractive. The federal government must continue to be an active partner with AAHA members and the broader public sector in providing affordable housing that is designed and managed with the unique needs of the elderly in mind.

In conclusion, AAHA strongly supports expanded federal involvement in providing housing for the elderly. Without adequate housing choices, the elderly will continue to be forced into inadequate housing, or housed inappropriately in costly nursing facilities. The federal government must continue to be an active partner with the nonprofit community and the broader private sector in providing affordable housing that is designed and managed with the unique needs of the elderly in mind.

Chairman GONZALEZ. We will then proceed and thank Mr. George very much for his patience and his cooperation and recognize Mr. George.

I might say this, though, Mr. Glenn, that we're very grateful to you. As you know, your Congressman is one of our important and valued members, and we must have his help on this H.R. 1. [Laughter.]

Mr. GLENN. Thank you. I'm sure you'll get it, I hope.

Chairman GONZALEZ. Well, you'll help us in getting some kind of commitment.

Mr. GLENN. I'll trip him on the way out the door. [Laughter.]

Chairman GONZALEZ. Mr. George.

STATEMENT OF HERBERT H. GEORGE, VOLUNTEER, AMERICAN ASSOCIATION OF RETIRED PERSONS, ACCOMPANIED BY JO REED, FEDERAL AFFAIRS STAFF

Mr. GEORGE. Mr. Chairman, I'm Herbert H. George, a volunteer with the American Association of Retired Persons from the State of Montana. And incidentally, the Governor has requested that I invite you to visit Montana. I noted in your earlier remarks that you had been to Florida and California.

Chairman GONZALEZ. Yes, sir. We've been to Wisconsin. We've been right near by. And we do intend—let me say by way of anticipation. We've just been waiting to see how we can manage our budget allocations for the subcommittee, and we think we will be able to follow through on the hearings we initiated 4 years ago, which have been arranged, thanks to a very able staff—and I might introduce Mr. McMurray, who is the staff director of the subcommittee and who has made it possible. These are the unseen forces that make it possible for us to sit up here and have a brilliant array of witnesses and testimony.

And we have embarked on the most comprehensive field and Washington hearings ever in the history of this committee, or for that matter, any other committee. We've gone into such areas as migrant labor housing, that have carried us from the Eastern Shore here, nearby, in which we have unbelievable situations that I thought we had eradicated 50 years ago, back home in Texas. And it's incredible that in just an hour and a half's drive from the Capital, you'd find these conditions, and they continue. We did bring to light some things that the Governor of Maryland corrected then, but the remedy's still not there, and the conditions are really not worthy of this country. I mean, I think that if this were more visible to the majority of Americans, it wouldn't be tolerated.

So that's the purpose. And we intend to go into the State of Montana and hopefully we intend to do it this year before too long.

So please thank the Governor for the invitation, and we will be calling on him because it will be necessary to get the cooperation of the State officials to work out the itinerary, where we can be most effective.

Mr. GEORGE. We'll be most happy to have you visit us.

Chairman GONZALEZ. Thank you, sir.

Mr. GEORGE. With me today is Jo Reed from the Federal affairs staff of the association, and with your permission, I will submit a longer statement for the record and summarize my remarks.

I thank you and the other members of the Subcommittee on Housing for this opportunity to testify regarding the fiscal year 1986 budget and the housing needs of the elderly.

In particular, we are pleased to comment in support of H.R. 1, the housing authorization bill you recently introduced.

In our judgment, housing budget proposals for fiscal year 1986 should be examined in the context of past policy decisions and current future housing needs. A look at past budget policy tells us that direct spending of federally assisted low-income housing has been cut by over 60 percent since 1981, making housing, proportionately, the hardest hit component of the Federal budget in recent years. Although elderly housing has been hurt less than other programs, there have been steady reductions in assistance to low-income older persons, where the need is particularly acute.

It is worth noting that indirect housing-related expenditures—tax benefits—assisting middle and upper income households have risen over this same period from \$33.3 billion to a projected \$41.3 billion in fiscal year 1985. It seems to us that priorities are out of balance. Rationality is even more in question when we look closely at the housing needs of older Americans.

Let me touch on some of the more important facts in this area. Most older Americans are homeowners. Nearly 75 percent of persons over age 65 own their own homes, but many of them have insufficient income and no significant assets other than their houses. Elderly renters are poorer than owners. The majority of the older renters are women living alone. These older women typically pay nearly 40 percent of their income just to keep a roof over their heads, leaving very little to cover utilities, food, health care and other basic expenses. The situation is worst for the oldest. Women in their late seventies and eighties are less likely to have worked and acquired income of their own. Those who did work received much lower wages than those retiring now, and they were in the labor force for shorter periods of time. Now they must get on by minimal Social Security or SSI benefits, and often no pension benefits at all.

But the problem of housing these individuals goes well beyond the issue of income. As people age, functional impairments develop for many which make standard housing arrangements inadequate to their needs. Stairs become barriers, transportation becomes inaccessible, household chores and repair work become overwhelming burdens. Individuals confronting these obstacles do not require institutional care, but they do need suitably designed accommodations and support services to remain as active and independent as possible. Those in fortunate economic circumstances can afford to acquire such accommodations; most older persons cannot.

The primary source of assistance to such persons has come from Federal housing programs: public housing, housing built or rehabilitated or subsidized under the Section 8 Program and the Section 202 Housing Programs for the elderly and handicapped.

The Congregate Housing Services Program provides supportive services to public and private, nonprofit housing projects around

the Nation. Older homeowners have benefited from some repair loans and grants under the community development block grants.

These programs, operated by the Department of Housing and Urban Development, function mainly in urban-suburban areas. In nonmetropolitan areas, where about a third of the older population reside, HUD programs have not worked as well. However, the Farmers Home Administration has filled in at least some of the gaps. Older renters may get part of their rent paid through the Section 521 Program or live in rental units built under section 515. Older homeowners receive grants for home repairs under the Section 504 Program.

Nevertheless, taken together, HUD and the Farmers Home Administration programs still fall dramatically short of meeting the need that exists for affordable, appropriate senior housing. It is estimated that 3½ million elderly households subsist on incomes of less than \$5,000 yearly. Yet only half a million of them receive assistance under Federal housing programs. Long waiting lists have accumulated for senior housing projects and most of those waiting will never gain access.

In section 202 projects, fewer than one-fifth of the units turn over per year. As a result, many eligible older persons do not even bother to fill out an application for entry. Those who have managed to get into the section 202 projects in public housing designed for older persons are aging in place. And many of these projects are unprepared to provide the range and volume of personal care and other services necessary to prevent premature institutionalization.

What we see emerging here are nursing homes without services, and the situation grows critical, more critical every day.

Now what is the administration's response to this crisis? For fiscal year 1986, the administration has proposed to do away entirely with additional public housing and all Federal assistance under the Farmers Home Administration, while placing a 2-year moratorium on construction under the Section 202 Program and on expansion of rent subsidies. While new units will continue to become available as construction already in the pipeline is completed, all other production is to cease. Upgrading and modernization subsidies for the existing public housing facilities are to be substantially cut back, placing elderly and other residents of such projects at a greater risk of the crime and safety problems that tend to accompany deteriorating buildings and neighborhoods.

In view of the facts just outlined, pertaining to the elderly population alone, this course appears reckless in its disregard for human needs.

The bill you have introduced, Mr. Chairman, is therefore especially welcome for its explicit recognition of the housing crisis at hand and for its intent to continue to expand Federal housing assistance to low-income persons.

That it is H.R. 1 gives striking emphasis to its importance. First, H.R. 1 would generate some 284,000 new assisted housing units for low-income persons. This figure represents a positive step toward offsetting losses in the Nation's low-income housing stock caused by rent increases, condominium conversions, deterioration, and

abandonment and toward responding to the growing need for assisted housing by previously unserved households.

The Housing Act of 1985, H.R. 1, envisions the production of 22,500 section 202 units, approximately twice the number approved for construction this year. Again, the association applauds the effort to reverse the trend of recent years, which has seen section 202 decline by about 40 percent from production levels of the 1970's. We are quite concerned that if section 202 production is suspended for 2 years, as proposed by the administration, loss of HUD personnel and regional offices and the pressure of continued budget constraints may eliminate the possibility of reviving it. This would be tragic, given the program's demonstrated success over many years in serving older Americans and in the manifest need for its continuation.

While the association is pleased that the authorization for the Congregate Housing Services Program is increased in H.R. 1 to \$10 million, we believe that CHSP should be reauthorized as a permanent program. Preliminary evaluation indicates the potential for significant savings over institutionalization through the Congregate Housing Service Program.

The American Association of Retired Persons endorses the proposed increase in public housing operating and modernization subsidies, and we support the continued production of new public and Indian housing.

The proposed study comparing the impact of assistance under the Voucher Demonstration Program with assistance under the regular Section 8 Existing Program could not be more timely or important. It is our judgment that the administration's proposal to substitute vouchers for Section 8 Existing Programs should not be adopted without careful evaluation of assisted households' experiences under the two approaches.

H.R. 1 would preserve and expand the Farmers Home Administration Rural Housing Program, a position we endorse.

Finally, we strongly approve H.R. 1's provision requiring an annual report on the characteristics of families in the HUD-assisted housing and suggest that a similar report be provided with respect to Farmers Home Administration assisted households.

In summary, Mr. Chairman, the American Association of Retired Persons commends you for your forthright support of low-income persons needing housing assistance, as reflected in your sponsorship of H.R. 1. The Housing Act of 1985 provides the means to negotiate an extension of Federal housing programs, and in particular, to preserve elderly housing programs which will be more and more in demand as America's population matures.

The American Association of Retired Persons looks forward to working with you to effect solutions to the Nation's housing problems that are both sensible and humane.

In closing, I want to assure you that our association has great confidence in the sincerity of our Congress. We are not unaware of the enormous pressures of the environment in which you labor. The deficit, taxes and other matters that you are required to address and debate must be overwhelming at times like these. However, we are confident that the solutions to our problems will

emerge, as all of us sort out our priorities, arrange them in proper order and separate our duty from expediency.

Again, I thank you for the privilege of appearing here today.

Chairman GONZALEZ. Thank you very much, Mr. George.

You indicated—is that Miss Jo Reed or Miss Jo Reeb? So that's J-o.

Mr. GEORGE. J-o R-e-e-d.

Chairman GONZALEZ. That's Texas spelling. And that's R-e-e-d, for the reporters.

[Mr. George's prepared statement, on behalf of the American Association of Retired Persons, follows:]

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STATEMENT
of the
AMERICAN ASSOCIATION OF RETIRED PERSONS
on
ELDERLY HOUSING NEEDS,
THE ADMINISTRATION BUDGET, AND H.R. 1
before the
HOUSING AND COMMUNITY DEVELOPMENT SUBCOMMITTEE
of the
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

March 6, 1985

American Association of Retired Persons 1909 K Street, N.W., Washington, D.C. 20049 (202) 877-4700

Vita R. Ostrander *President* Caryl F. Brickfield *Executive Director*

Mr. Chairman, I am Herbert H. George, a volunteer with the American Association of Retired Persons from the state of Montana. On behalf of the eighteen million members of AARP, I thank you and other members of the Subcommittee on Housing for this opportunity to testify regarding the FY 1986 budget and the housing needs of the elderly. In particular, we are pleased to comment in support of H.R. 1, the housing authorization bill you recently introduced.

AARP believes that the provision of appropriate, affordable housing with access to supportive services for older persons is of compelling importance. There is an unmet need for such housing now; it will rapidly become much more pressing as time passes and the older population grows in number and as a proportion of the general population.

Housing budget proposals for FY 1986 should be examined in the context of past policy decisions and current and future housing needs. Absent these considerations, new policy decisions are not likely to be either equitable or rational.

The salient fact with regard to past budget policy is that direct spending for federally assisted, low income housing has been cut by over 60 percent since 1981, from about \$30 billion to \$10.7 billion in FY 1985. This reduction makes housing proportionately the hardest hit component of the federal budget in recent years. Although elderly housing has been hurt less than other programs, there have been steady reductions in assistance to low-income older persons as well.

It is worth noting that indirect housing-related expenditures (tax benefits) assisting middle and upper income households have risen over this same period from \$33.3 billion to a projected \$41.3 billion in FY 85. Clearly, equity is already at issue.

Rationality is even more in question when we look closely at the housing needs of older Americans. Let me touch on some of the more important facts in this area.

Most older Americans are homeowners--nearly three quarters of persons over age 65 own their own homes--but many of them have insufficient income and no significant assets other than their houses. Elderly renters are poorer than owners, and the majority of older renters are women living alone. These older women typically pay nearly half their income just to keep a roof over their heads--leaving very little to cover utilities, food, health care and other basic expenses.

It has become fashionable to think that older Americans have overcome their traditional income disadvantage, having achieved a poverty rate slightly lower than that of the general population. In fact, the vast majority of older persons remain fixed in the lower reaches of the income distribution, with more than one in five having income in the poor or near poor category. The median elderly household income currently stands at about half that of the non-elderly household. Unfortunately, the disadvantage persists.

The situation is worst for the oldest. Women in their late seventies and eighties are less likely to have worked and acquired income of their own. Those who did work received much lower wages than those retiring now, and were in the labor force for shorter terms. Now they must get by on minimal Social Security

and/or SSI benefits and, often, no pension benefits at all.

But the problem of housing these individuals goes well beyond the issue of income. As people age, functional impairments develop for many which make standard housing arrangements inadequate to their needs. Stairs become barriers, transportation becomes inaccessible, household chores and repair work become overwhelming burdens. Individuals confronting these obstacles do not require institutional care--but they do need suitably designed accommodations and supportive services to remain as active and independent as possible. Those in fortunate economic circumstances can afford to acquire such accommodations; most older persons cannot.

The primary source of assistance to such persons with low and moderate income has come from federal housing programs. More than 600,000 low income older households live in public housing designed for those over age 62. Over 800,000 older households occupy housing built or rehabilitated for their use or subsidized under the Section 8 program. Section 202 housing for elderly and handicapped serves close to 150,000 elderly households. The Congregate Housing Services Program provides supportive services on a demonstration basis to sixty-three public and private, non-profit housing projects around the nation. Low and moderate income older homeowners have benefitted from home repair loans and grants under the Community Development Block Grant.

These programs, operated by the Department of Housing and Urban Development (HUD), function mainly in urban and suburban areas. In non-metropolitan areas, where about a third of the older population resides, HUD programs have not worked as well.

But the Farmers' Home Administration, utilizing a network of local county offices, has filled in at least some of the gaps. Low income older renters may get part of their rent paid through the Section 521 program, and close to 100,000 such households live in rental units built under Section 515. Some 50,000 older homeowners have received grants for home repair under the Section 504 program.

Nevertheless, taken together HUD and FmHA programs still fall dramatically short of meeting the need that exists for affordable, appropriate senior housing. It is estimated that three and a half million elderly households subsist on incomes of less than \$5000 yearly, yet only half a million of them receive assistance under federal housing programs. Long waiting lists have accumulated for Senior housing projects, and most of those waiting will never gain access. In Section 202's, fewer than one-fifth of the units turn over per year. As a result, many eligible older persons do not even bother to fill out an application for entry.

Those who have managed to get into Section 202 and public housing designed for older persons are "aging in place," and many of these projects are unprepared to provide the range and volume of personal care and other services necessary to prevent premature institutionalization. Hence, the situation grows more critical every day.

What is the Administration's response to this crisis? Over the past four years, the Administration has successfully led the effort to reduce federal spending for all assisted housing and to shift the emphasis of assistance from new construction and substantial rehabilitation to rent subsidies in existing housing. It has championed an alternative form of rental assistance to the

Section 8 certificate: a voucher which would reduce benefit levels and do nothing to stimulate increased housing supply. It has repeatedly attempted to zero out funds for the Congregate Housing Services Program--a demonstration project that should be made permanent and expanded significantly. And for FY 1986, the Administration has proposed to do away entirely with additional public housing and all federal assistance under FmHA, while placing a two-year moratorium on construction under the Section 202 program and on expansion of rent subsidies. While new units will continue to become available as construction already in the pipeline is completed, all other production is to cease. Operating and modernization subsidies for existing public housing facilities are to be substantially cut back, placing elderly and other residents of such projects at greater risk of the crime and safety problems that tend to accompany deteriorating buildings and neighborhoods. In view of the facts just outlined--pertaining to the elderly population alone--this course appears reckless in its disregard for human needs.

The bill you have introduced, Mr. Chairman, is therefore especially welcome for its explicit recognition of the housing crisis at hand and for its intent to continue and expand federal housing assistance to low income persons. That it is H.R. 1 gives striking emphasis to its importance. H.R. 1 offers a view of the housing needs of older Americans and others that is quite different--and in our opinion, far more accurate--than that of the Administration. We would like to comment specifically on several elements of the bill.

First, H.R. 1 would generate some 284,000 new assisted housing units for low income persons. This figure represents a positive step toward offsetting losses in the nation's low income housing stock caused by rent increases, condominium conversions, deterioration and abandonment, and toward responding to the growing need for assisted housing by previously unserved households. The elderly population, now numbering about 26 million, has been projected to reach a level of 35 million by the turn of the century, and could go as high as 54 million by the year 2030. It is not surprising then, that a recent University of Michigan study called for production of 235,000 units per year for the next 20 years in anticipation of growth in demand among older persons.

The Housing Act of 1985 envisions the production of 22,500 Section 202 units, approximately twice the number approved for construction this year. Again, the Association applauds the effort to reverse the trend of recent years, which has seen Section 202 decline by about 40 percent from production levels of the 1970's. We are quite concerned that if Section 202 production is suspended for two years as proposed by the Administration, loss of HUD personnel and regional offices and the pressure of continuing budget constraints may eliminate the possibility of reviving it. This would be tragic, given the program's demonstrated success over many years in serving older Americans and the manifest need for its continuation.

While the Association is pleased that the authorization for the Congregate Housing Services Program (CHSP) is increased in H.R. 1 to \$10 million, we believe that it is high time the merits

of this program were fully recognized by reauthorizing it as a permanent program. According to a recent Senate Aging Committee report, preliminary, evaluative cost data show the potential for significant savings over institutionalization through CHSP.

Needless to say, AARP endorses the proposed increase in public housing operating and modernization subsidies, and we support the continued production of new public and Indian housing. Moreover, we favor the continuation of the Rental Development (HODAG) Program, which has barely gotten off the ground and should be tested more thoroughly.

The proposed study comparing the impact of assistance under the voucher demonstration program with assistance under the regular Section 8 existing program could not be more timely or important. The Administration has consistently sought to substitute vouchers entirely for the Section 8 existing program. No such action should be taken prior to careful evaluation of assisted households' experiences under the two approaches.

H.R. 1 would preserve and expand FmHA rural housing programs, rather than eliminating these programs and eventually splitting HUD assistance between urban and rural areas, as proposed in the Administration budget. The latter proposal would reduce future low income housing assistance to less than 60% of what is being provided now, and there is no assurance that HUD will be any better equipped to serve rural areas than it has been in the past. The Association endorses preservation of rural housing programs.

Finally, we strongly approve of H.R. 1's provisions requiring an annual report on characteristics of families in HUD-assisted housing and wonder why a similar report is not provided

for with respect to FmHA-assisted households. A useful addition to the requirements of such a report might be a tally of waiting lists for various types of federally assisted housing. This information is presently reported only on an ad hoc basis, without uniform guidelines.

In summary, Mr. Chairman, the American Association of Retired Persons commends you for your forthright support of low income persons needing housing assistance, as reflected in your sponsorship of H.R. 1. The Housing Act of 1985 provides a means to negotiate an extension of federal housing programs, and in particular, to preserve elderly housing programs which will be more and more in demand as America's population matures. AARP looks forward to working with you to effect solutions to the nation's housing problems that are both sensible and humane.

Chairman GONZALEZ. Our next witness is Mr. Norman B. Crook who's the administrator for the Bethany Homes, Inc., in Massachusetts—Haverhill, MA.

Thank you very much, Reverend, for being with us this morning and we recognize you at this point.

**STATEMENT OF REV. NORMAN B. CROOK, ADMINISTRATOR,
BETHANY HOMES, INC., HAVERHILL, MA, ON BEHALF OF THE
AMERICAN ASSOCIATION OF HOMES FOR THE AGING**

Mr. CROOK. Mr. Chairman, members of the subcommittee.

My name is Norman Crook, and I am the administrator of a 150 unit section 202 building called Bethany Homes, built in 1969.

My father once said that—he was a preacher as well—and he said there are very few souls saved after 10 minutes. So I'll see what I can do to abbreviate my testimony.

Chairman GONZALEZ. Well, we appreciate that but your testimony as you prepared and submitted it to the subcommittee will be presented in full for the record at this point and then you may proceed as you see fit.

Mr. CROOK. I'll summarize it quickly for you.

We are a sponsor of Bethany Care, which is a Congregate Housing Services Program [CHSP], and I come here to testify on behalf of American Association of Homes for the Aged where I'm a member of the Housing Committee.

I thank you, particularly, and your subcommittee for including the some \$10 million in H.R. 1 for congregate services.

My particular mission this morning is to address the importance of congregate services as we have seen them and as seems to be supported by our conversation with other CHSP programs across the country.

I'd like to be able to speak as eloquently and as forcefully as the other folk have this morning relative to the 202's, the waiting lists, the needs. Our experience in section 202 is identical to what's been said after over a 16-year period.

But I speak specifically to CHSP.

As you know, it was authorized by title IV of the Housing and Community Development Amendments of 1978. We, at Bethany Homes, were funded in February 1980 and have been operating since that time. It was a 3-year grant, but due to rather careful and frugal management and the advice of our professional advisory committee, we have been able to extend the duration of our program using no-cost extensions through February 1985. We have recently sought moneys under the \$4 million that was appropriated last year hopefully to continue through December 1986.

It is our understanding that 40 of the existing 61 CHSP programs will come to the end of their funding, in December 1986. And that 40 percent of all those participants will have to find some kind of alternative care, either extended care or nursing home care.

I have some data that we have accumulated from our operation at Bethany Homes which I will submit to you. You have it in the record but I will just pull some totals together.

Over the final year of the first grant we served 35 people. The total cost of the program was something like \$70,000. The total cost

for HUD both in terms of rent and in terms of services was \$95,000, a total of \$166,000, which on a yearly basis was \$4,700 a year or about \$13 a day to keep a participant in our program including both rent and services.

Using that \$13 a day as an estimate of the cost per participant in CHSP is a reasonable figure. A low estimate of the average total cost of care in an alternative care facility in the Haverhill area in 1983 was \$50 a day.

If you assume, as reflected by our observations and Mr. Mapp's observations as well, that 40 percent of our participants would have need for institutionalization, 14 of those folk would have been placed in nursing home beds had CHSP not been available.

The magnitude of the resulting savings from provision of a more appropriate level of care is evident. The nursing home care for those 14 CHSP participants would have cost the Federal and/or State governments something in the nature of \$297,000 a year, but actually cost only \$57,000 per year because the congregate services was available. This results in an overall savings of \$240,000 or about \$17,000 per person per year.

This data seems to be typical for materials that we have received from other CHSP's across the country.

While the savings are important, there's another dimension—the human side of the program must not be overlooked. And I've attached to my written testimony three case studies of elderly participants in Bethany Homes.

I would like to request the permission of the Chair to permit these and other materials for the subcommittee's record.

In conclusion we, at Bethany Homes, have found that CHSP is a cost-effective mechanism for the delivery of services to frail elderly. AAHA has formally endorsed the expansion of the program as authorized in the Housing Act of 1985.

You've heard the commentaries from several others indicating their support of congregate services and I would urge the subcommittee to reauthorize this valuable program.

And I would, I think, just like to take another moment to read into the record three different case studies of people, I think, who are very real.

First, an 89-year-old woman with no family, participant of the beginning of the CHSP Program at Bethany Homes. She's been on the program for a total of 54 months, 10 of which she received the total package of services that we provided. The remaining 44 she received meals, sometimes once a day, sometimes twice a day, depending upon her particular feelings of her particular health; how she felt about herself.

This woman dropped out of the program four different times because she felt well enough to prepare her own meals. Two times she left the program due to illness and subsequent hospitalization. But when she would come back she would come out of the program, because of her independence she wanted to go off it. Over that period of time of 54 months Bethany Care provided her with the proper nutrition. We have mental health support services built in. It's helped her through some times of severe depression when she asked to be hospitalized and asked to be put in a nursing home.

This lady will celebrate her 90th birthday. She's very active. A parenthetical to Mr. McKinney—she ran a little flower shop in Bradford not far from the Bradford College of which he spoke. And she at this time because of her coming out of these severe depressions is very active, planting flowers and puttering around, that kind of thing.

She's an active and enthusiastic participant and supporter of Bethany Care. She's in better health now it appears to be than ever before.

The total cost for that 54 months for services were about \$3,800. Her rent including subsidy would have been \$9,200 for a total cost of about \$13,000 to keep her for 54 months in her own home. That's about \$7.97 a day as opposed to the \$50 or \$60 a day nursing home care. That's one.

An older woman had her mentally retarded daughter move into Bethany Homes. The elderly mother died and this woman went onto the Bethany Care Program and remained for 39 months. Had it not been for the CHSP, this participant would have been placed in an extended-care facility immediately upon her mother's death. At the time the cost of nursing home care was about \$50 a day. The cost for care for her would have been approximately \$60,000 for 39 months. When, in fact, it was \$12,800.

Because Bethany Care was in place, this woman was relatively independent for over 3 years. In addition to our support, she was able to attend the local day care center 5 days a week, which kept this person reasonably independent for over 3 years when otherwise she would have been institutionalized. And those costs are in the pages we'll submit to you.

A final analysis, which is not uncommon in elderly housing facilities—an 88-year-old woman, a single lady, had a niece and was a participant in the program for 47 months. She was debilitating from diagnosed Alzheimer's disease and was one of the first participant's in the Bethany Care Program.

She received a total package of support services, sometimes from the niece who could come in from time to time.

With the combination of services that were able to provide, she was able to remain in her apartment more or less independently, certainly in familiar and comfortable surroundings which are quite important for folks suffering from Alzheimer's, and was unquestionably content.

When staff and her niece realized that she was a danger to herself and to other residents as well, she was hospitalized, went quickly to a nursing home, and terminated the lease on her home of some 16 years.

In that instance, the total cost of meals for 47 months—the total cost of the CHSP Program—was \$9,400; total cost of rent was \$9,500; a total of \$18,900 for 47 months of care.

HUD's part in that, parenthetically, was about \$5,000 for rent, and about \$6,000 for the congregate program. A cost to HUD of about \$11,000.

Consider the total cost of \$18,900 over 47 months as opposed to about \$85,000 had she been institutionalized—which she probably would have been had it not been for CHSP.

I submit these to you. I thank you for your patience and for all that you've done on behalf of housing in this Nation.

Chairman GONZALEZ. Well, thank you, Reverend. You all make it possible for us to function, too.

[Mr. Crook's prepared statement, on behalf of the American Association of Homes for the Aging, follows.]

PREPARED STATEMENT OF REV. NORMAN B. CROOK

Mr. Chairman, and members of the Subcommittee, I am Reverend Norman B. Crook, Administrator of Bethany Homes, Inc. of Haverhill, Massachusetts, which also sponsors Bethany Care congregate housing services. I am testifying on behalf of the American Association of Homes for the Aging (AAHA), where I am currently a member of the Housing Committee.

On behalf of the Association, I would like to thank the Subcommittee for conducting hearings on the Housing Act of 1985 and for providing this forum to discuss housing needs of the elderly. My testimony centers on the Department of Housing and Urban Development's Congregate Housing Services Program (CHSP), a demonstration program first authorized by Title IV of the Housing and Community Development Amendments of 1978. CHSP provides three-to-five-year contracts to fund services for eligible residents of public housing and Section 202 housing for the elderly and handicapped. The program is designed to encourage handicapped elderly, non-elderly handicapped, or temporarily disabled individuals to maintain maximum independence within a home environment, thus avoiding the more costly alternative of premature institutionalization. The demonstration program includes full meal services and those additional support services such as housekeeping aid, personal assistance or other services deemed essential for eligible individuals to maintain semi-independent living standards.

Bethany Homes, Inc. is a nonprofit, charitable corporation, chartered in 1965 for the expressed purpose of providing safe, sanitary, decent housing at reasonable rates for the elderly and handicapped amidst the some 100,000 residents of the greater Haverhill catchment area. We became involved with CHSP in 1980.

Our 150 unit facility was constructed in the late sixties with HUD Section 202 funds and cost some \$1.8 million. It is comprised of 97 studio or efficiency units and 53 one-bedroom apartments. A large 150-seat dining room and commercial kitchen were among the amenities allowed in the construction funds. Since the facility's opening in February, 1969, the dining room/kitchen have been used in a variety of ways to provide meals to those who might need or desire such service, but not until the availability of CHSP has it been possible to provide well-balanced, reasonably priced meals on a regular basis.

Bethany Care, one of the first of the CHSP grants awarded, became functional in February of 1980. Under the terms of the grant, Bethany Care was awarded for each of three years to provide meals and support services to no more than 20 percent of the residents of Bethany Homes at any given time.

Due to the quality and professionalism of our Professional Advisory Committee (PAC) and to the competence of our program director and her staff, we have been able to extend the program through no cost extensions, using monies not expended from the original contract. Two no-cost extensions brought the program through the initial termination period of February 1983 to September 1984.

Due to additional monies appropriated by Congress to extend the life of the program, Bethany Care sought and received funding to carry the program through February 1985. At that time we were allowed a no-cost extension to carry through to August 31, 1985. Recently, we have applied for additional funds from the \$4.1 million appropriated this past session by Congress. If awarded, these funds would continue the program through December 1986.

We at Bethany Care have found CHSP a very cost-effective housing alternative for elderly persons who would normally be placed in an institutional setting, such as a nursing home, due to lack of more appropriate, less-intensive care. The chart summarizes the annual costs experienced by Bethany Care in the final year of operation under its first grant:

COST SUMMARY
(final year of first grant)

<u>COSTS</u>		<u>BETHANY CARE</u>	<u>RENT</u>	<u>TOTAL</u>
Participant	35/yr	\$17,911.21	\$53,920.00	\$ 70,831.21
HUD	35/yr	\$62,639.10	\$32,976.00	\$ 95,615.10
Total	35/yr	\$80,550.31	\$85,896.00	\$166,446.31
Total	1/yr	\$ 2,301.44	\$ 2,454.17	\$ 4,755.61
Total	1/day	\$ 6.30	\$ 6.72	\$ 13.03

A low estimate of the average total cost of care in an alternative care facility in the Haverhill area in 1983 was \$50 per day per person. Assuming that 40 percent, or 14, of the 35 participants would have needed nursing home beds had CHSP been unavailable, the magnitude of the resulting savings from provision of a more appropriate level of care is evident. Nursing home care of the 14 CHSP participants would have cost the federal and state government some \$297,369 per year, but only \$57,369 per year in a congregate services facility; an overall savings of \$240,000 or \$17,142 per person per year. The attachment outlining Bethany Homes' five-year experience with congregate services further outlines the cost effectiveness of this approach.

While these savings are important, the human side of this program must not be overlooked. I have attached to my written testimony three case studies of elderly participants in Bethany Homes, and would like to request the permission of the Chair to submit these and other materials for the Subcommittee's record.

In conclusion, we at Bethany Homes have found CHSP to be a cost-effective mechanism for the delivery of services to the frail elderly. AAHA has formally endorsed the expansion of the program as authorized in the Housing Act of 1985, and I would therefore urge the Subcommittee to reauthorize this valuable program.

BETHANY CARE, CHSP

CASE STUDY

This eighty-nine year old woman has been a participant from the beginning of the CHSP program at Bethany Homes, Inc. She has been on the program for a total of fifty-four (54) months, ten of which she received the total package, the remaining 44 months she received meals-sometimes one a day, and sometimes two- depend-upon her health.

She dropped out of the program four times, because she felt well enough to prepare her own meals. Two times she left the program due to illness and subsequent hospitalization.

Bethany Care has provided her with proper nutrition, and because of our Mental Health Support Services, has helped her through times of severe depression.

This lady will celebrate her 90th birthday in April, 1985. She is still an active and enthusiastic participant (and supporter) of Bethany Care, CHSP. At this time she appears to be in better health, both mental and physical, than ever before.

Cost breakdown:	Services	Rent	
Participant:	\$3,428.00	4,462.00	
Subsidy:	<u>377.00</u>	<u>4,817.00</u>	
Total:	3,805.00	+ 9,279.00	= \$13,084.00 (54 months)
			2,907.00/yr.
			7.97/day

Total cost to participant:	54 months-\$7,890
	1 year - 1,753.
	1 day 4.80

Subsidy costs:	54 months-\$5,194.
	1 year - 1,154.
	1 day - 3.16

BETHANY CARE, CHSP

CASE STUDY

This is the case of a mentally retarded woman who became a Bethany Care participant in the second month of the program and continued for 39 months. Had it not been for Bethany Care, CHSP this participant would have been placed in an extended care facility immediately after her mother's death. At that time the cost of nursing home care in this area was \$50.00 a day. The cost of care for her would have been approximately \$60,000.00 for thirty-nine months.

Because Bethany Care, CHSP was in place at Bethany Homes, Inc., this woman was relatively independent for over three years. In addition to our support, she was able to attend a local day care center five days a week.

Cost Breakdown:

	Services	Rent	
Participant:	3,804.00	3,601.00	
Subsidy:	1,921.00	3,483.00	
Total:	<u>5,725.00</u>	<u>7,084.00</u>	12,819.00/39 months 3,944.00/yr. 10.80/day

Participant costs/day: \$6.24

Subsidized cost/day: 4.56

Additional day care costs as follows: (Monday through Friday)

\$26.00/day - \$6786.00 for an estimated 261 days/year

\$18.59/day - on a 365 day/year basis

Her total cost for care per day: \$29.39 (day care, participant costs, and subsidy)

BETHANY HOMES, INC.COST COMPARISONS1984 case study

An 88 year old woman - a participant in the program for 47 months, debilitating from diagnosed Alzheimer's Disease, was one of the first participants in Bethany Care. She received the total package of support services and some assistance from an older relative. This combination of services made it possible for her to remain in her apartment more or less independently - certainly in familiar and comfortable surroundings - and was unquestionably content. When it became evident to staff and relatives that she was a danger to herself and to other residents she was hospitalized and went quickly to a nursing home and has terminated the lease of her apartment of nearly 16 years.

Cost Breakdown - Participant of 47 Months

	<u>Participant</u>	<u>HUD</u>	<u>TOTAL</u>
Meals:	\$3,443.99	\$5,976.56	\$9,420.55
Rent	\$4,372.00	\$5,188.00	\$9,560.00
47 mo. (total cost)	\$7,815.99	\$11,164.56	\$18,980.55

Total cost per day \$13.28 (\$5.47 for participant, \$7.81 for HUD)

Total cost for one year \$4,846.08 (\$1,995.60 for participant,
\$2,850.48 for HUD)

Had this participant been institutionalized over the full 47 month, the cost would have been some \$85,755.00 at the present rate of \$60. per day.

3/5/85

BETHANY HOMES, INC.SUMMARY OF CHSP FIVE YEAR LIFE OF GRANT

<u>Year</u>	<u>Average Age-Participant</u>	<u>Number Served</u>	<u>HUD Cost - CHSP Gran</u>
1980*	79.1 years	24	\$38,686.
1981	80.8 years	28	\$64,060.
1982	79.9 years	35	\$69,639.
1983	81.5 years	28	\$81,112.
1984	82.2 years	27	\$85,956.
Total/Average	82.2	28.4	\$67,890.

The average per diem cost to HUD per participant over the five years of the grant has been \$6.54, or \$2,387. per annum. To include the cost of rent at an average cost of \$2.84 rent supplement (\$1,036. annual) makes a total HUD cost of \$3,423. annual. Low cost nursing home beds in this area currently begin at \$60. per diem.

Assuming 40% of participants would have required skilled care during the life of the grant, or 11.4 participants needing care, at an average cost of \$60. per day the cost would have been upwards to \$654. per day as opposed to \$106. per diem for those same 40% of very frail elderly.

Cost containment aside, the greater concern that needed skilled nursing beds are not being used inappropriately, and further, the very fraile elderly have the option of living out their lives in the comfortable surroundings of some several years of independent living in safe, decent housing for which they had opted when initially renting in the Section 202 low and moderate income housing for the elderly.

3/5/85

Chairman GONZALEZ. I might point out, Ms. Diane Dorius to my right here, is the legal counsel for the subcommittee, and she just reminded me that HUD had been actually under a responsibility to provide a cost-effectiveness study of the program and it hasn't been completed as yet. This is the first available report we have.

So we're very grateful to you because our experiences with the HUD reports is that this will be probably more efficient, more accurate, than whatever we do finally get from HUD.

I hope I'm not downgrading HUD unjustly but that's been our experience with, frankly, every single issue, whether it's homelessness or section 8. So thank you very much.

Mr. CROOK. I do think, sir, that we will supply to you a summary of the additional materials, a survey that we did ourselves across the country—it came out of Minneapolis but it's done by the CHSP programs—sort of to balance what you might receive from that final report.

Chairman GONZALEZ. Yes, Reverend, we'll be most grateful to you and, in fact, we will incorporate it into the record of the proceedings of this hearing and it'll be most helpful to us.

[Mr. Crook submitted the following reports for inclusion in the record: "Report on Congregate Housing Services Program" dated April 1984, and a report by the Housing and Redevelopment Authority of Duluth, MN, "Need for Continuation of CHSP Funding," dated February 25, 1985. The reports follow:]

APRIL, 1984

REPORT ON CONGREGATE HOUSING SERVICES PROGRAM

Below is data collected from CONGREGATE HOUSING SERVICES PROGRAM (CHSP) administrators throughout the United States in March and April, 1984. While some of the 60 CHSPs serve a younger developmentally disabled population, the information presented in this report reflects information from CHSPs that serve the frail elderly population primarily.

Attached is a copy of the questionnaire that was sent to the CHSP administrators in March, 1984. A number of CHSPs had difficulty getting this information to us soon enough to include in this report. Therefore, the report is based on 23* returns which we believe provide a good representation of the CHSPs in total.

PART I.

What is the total government cost of provision of nursing home care for one person for one year?

Total government cost was determined by, (A) identifying the average cost of skilled care in each state, (B) subtracting the average amount each person pays out of their income toward nursing home costs, then (C) adding the amount each person is allowed to keep from his/her income for personal use.

Please note that skilled care was used as a base cost because intermediate care is not available in many states. In other states, the cost difference between skilled and intermediate care is slight.

A. COSTS OF SKILLED CARE IN NURSING HOMES ACROSS THE U.S. ANNUALLY PER PERSON:

AVERAGE	\$19,257
HIGH	31,025
LOW	10,220

B. AVERAGE ANNUAL INCOME OF CHSP PARTICIPANTS

AVERAGE	\$ 5,130
HIGH	7,208
LOW	3,728

C. AMOUNT VARIOUS STATES ALLOW NURSING HOME RESIDENTS TO RETAIN FROM THEIR PENSIONS FOR PERSONAL USE PER YEAR:

AVERAGE	\$ 383
HIGH	660
LOW	300

*Report to Senator Heinz was based on 27 returns.

CHSP REPORT
APRIL, 1984
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TOTAL ANNUAL COST TO GOVERNMENT OF NURSING HOME CARE PER PERSON:

AVERAGE	\$14,510
HIGH	26,346
LOW	6,880

PART II.

What is the total cost for one person to participate in the CHSP, including cost of housing rent subsidy and services such as two meals per day, house-keeping and other services?

This cost is determined by, (A) identifying the annual CHSP cost per person per year, including in-kind dollars from other sources, (B) adding the average HUD subsidy for apartment rental for elderly/handicapped residents per year, then (C) subtracting the amount CHSP participants pay in monthly service fees for meals and services on an annual basis.

A. COST FOR ONE PERSON TO PARTICIPATE IN CHSP FOR ONE YEAR:

AVERAGE	\$3,451
HIGH	5,580
LOW	1,988

B. HUD SUBSIDY FOR APARTMENT RENTAL PER PERSON PER YEAR:

AVERAGE	\$1,711
HIGH	8,872
LOW	564

C. AVERAGE ANNUAL SERVICE FEE PARTICIPANTS PAY FOR CHSP SERVICES (MEALS, HOUSEKEEPING, ETC.)

AVERAGE	\$ 573
HIGH	1,116
LOW	229

TOTAL COSTS FOR ONE PERSON TO PARTICIPATE IN CHSP FOR ONE YEAR, INCLUDING RENT SUBSIDY AND SERVICES:

AVERAGE	\$4,589
HIGH	8,680
LOW	2,653

PART III.

How does the annual cost of nursing home care for one person compare to the cost for one person to participate in the CHSP?

TOTAL NURSING HOME COSTS		TOTAL CHSP COSTS		COST DIFFERENCE	
AVERAGE	\$14,510	AVERAGE	\$4,599	AVERAGE	\$9,921
HIGH	26,346	HIGH	8,680	HIGH	17,666
LOW	6,880	LOW	2,653	LOW	4,227

Our findings show that total annual CHSP costs, including rent subsidies and in-kind costs, represents approximately 32% of total annual nursing home costs.

CHSP Administrators mentioned that our questionnaire did not adequately address the issue of convalescent care services. This was unfortunate, because the CHSPs play an important role in this area. For example, services by the St. Paul CHSP have enabled 8 people in the past year to return home early from hospitalizations and thereby avoid temporary nursing home placement. Most of these people have recuperated and have left the program.

We believe the figures that have been provided by the individual CHSPs speak for themselves. For each dollar spent on CHSP per participant, three dollars can be saved by preventing or delaying institutionalization.

Not only are dollars saved, but it is hard to overlook the fact that CHSP allows program participants to remain in their own homes in semi-independent living situations where each person maintains control over his/her own life for as long as possible.

OTHER DATA FROM QUESTIONNAIRES:

1. Which branches of government pay for nursing home care in the U.S.? CHSP administrators reported that 39.5% of costs are paid by states, 58.1% are paid by the Federal government and 2.4% are paid for by local government.



HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, MINNESOTA

301 EAST SECOND STREET
P.O. BOX 6888 • DULUTH, MINNESOTA 55808-8888
PHONE 218/726-2800



SUBJECT: Need for Continuation of CHSP Funding

DATE : February 25, 1985

We submit the following documentation for review to support the critical need for continued CHSP funding in 1986.

BACKGROUND INFORMATION: The Duluth Minnesota Housing and Redevelopment Authority has two CHSP demonstration programs currently in operation at two sites and are serving approximately 60 seniors (40 + 20) with the CHSP service program. In 1973 our agency was concerned because of the number of frail elderly who were forced to leave public housing and who were placed both prematurely, and frequently inappropriately in nursing homes. As part of a community effort we analyzed the need for service programs in an effort to (1) keep persons as independent as possible; (2) to keep persons in their own homes; (3) to avoid inappropriate institutionalization; and (4) to keep couples together (even though they had varying service needs).

DULUTH CONGREGATE HOUSING SERVICE PROGRAMS: Our congregate service programs for elderly or handicapped or disabled persons are as follows:

- | | |
|---------------------------|---|
| I. General----- | One daily meal. |
| II. CHSP----- | Two daily meals; Apartment cleaning; Personal care (assistance with bathing or hair washing). |
| III. Board & Lodging----- | Three daily meals; 24 hour supervision; Supervision of medications; Housekeeping services weekly; Laundry services; Personal care services; Transportation. |

SERVICE POPULATION: The population we are serving in our CHSP program is as follows:

AGE	NUMBER OF PERSONS	
Under 75 years	19	32%
75 - 85 years	22	36%
86 - 95 years	19	32%

(NOTE: Eight (8%) of our total population at two congregate sites are over 95 years of age and receive board and lodging services.)

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Seventy-six (76) percent are females, twenty-four (24) percent are males. Approximately twenty-nine (29) percent have mobility limitations and use canes, walkers, or wheelchairs. Approximately twenty-five (25) percent do not have relatives or significant others to care or provide for them.

COSTS: DULUTH, MINNESOTACHSP - 1984SHELTER

Tenant Rent-----	\$ 4.47	(\$136.00 mo. av)
HUD Subsidy-----	\$.34	(\$ 10.26 per mo.)
TOTAL	\$ 4.81	

MEALS - (TWO DAILY @ \$2.60 EA)

Tenant Payment-----	\$ 2.60
County Subsidy-----	\$ 1.20
CHSP-----	\$ 1.40
TOTAL	\$ 5.20

SUPPORT SERVICES

County Subsidy-----	\$ 2.36
CHSP-----	\$ 3.70
TOTAL	\$ 6.06

CHSP RATE - TOTAL PER DAY-----\$ 16.07

BOARD AND LODGING - 1984

Rate-----	\$ 19.43
Shelter Subsidy-----	\$ 4.81
County Meal Subsidy-----	\$ 1.20

BOARD AND LODGING RATE TOTAL PER DAY-----\$ 25.44

AVERAGE NURSING HOME RATES - 1984 (per day)

Skilled Care-----	\$ 65.55
Intermediate Care-----	\$ 57.57

PROGRAM IMPACT - CHSP is a cost effective method of responding to the needs of our frail elderly. It utilizes federal financial assistance with local and individual resources. It incorporates through individual care plans, family participation in the daily or weekly care of the individual, as well as a high level of volunteers (both from within congregate housing and from the community at large).

OUR POSITION - We strongly support the expansion of the CHSP Program and its continued support at the National level.

The following are individuals in our King Manor CHSP program and thus represent only 38 of the approximately 60 persons presently receiving CHSP services. Without CHSP support services, the additional cost would be approximately \$95,743.15 for these 38 individuals. We can thus project that for 60 to 65 persons, the additional service costs would amount to \$151,173.00 to \$163,771.00 per year in Duluth, Minnesota alone.

	Ind. Living	Board & Lodging	Nursing Home
1. JC - 88 yr. old woman; confusion, poor eyesight		X	
2. BK - 87 yr. old woman; has cancer			X
3. HM - 91 yr. old woman; very frail, ulcerated legs			X
4. BV - 92 yr. old man; needs meals, but otherwise OK	X		
5. RJ - 87 yr. old woman; needs meals, but otherwise OK	X		
6. ML - 76 yr. old woman; conf ned to wheelchair		X	
7. DR - 74 yr. old woman; heart cond ion, needs meals, otherwise OK	X		
8. KS - 83 yr. old woman; very frail		X	
9. SJ - 88 yr. old woman; severe arthritis, very frail		X	
10. MB - 54 yr. old woman; emotional problems		X	
11. AO - 78 yr. old woman; forgetful, had stroke		X	
12. GJ - 87 yr. old woman; confused, frail		X	
13. HM - 82 yr. old woman; confused, broke hip		X	
14. GP - 87 yr. old woman; needs meals, otherwise OK	X		
15. WL - 92 yr. old man; blind			X
16. LL - 84 yr. old woman; arthritis, heart trouble		X	
17. LB - 72 yr. old woman; double amputee, frail		X	
18. MM - 83 yr. old woman; blind		X	
19. NL - 90 yr. old woman; blind		X	
20. RL - 93 yr. old woman; poor eyesight, frail		X	
21. BD - 84 yr. old woman; confused confined to wheelchair		X	
22. LR - 71 yr. old woman; emot ona problems, disabled from car accident		X	
23. VB - 80 yr. old woman; confused, falls alot		X	
24. CJ - 82 yr. old woman; confused, ulcerated legs			X
25. VS - 62 yr. old woman; disabling bone disease		X	
26. HO - 79 yr. old man; needs meals, otherwise OK	X		
27. OP - 82 yr. old man; needs meals, otherwise OK	X		
28. JP - 61 yr. old man; developmentally disabled		X	
29. AL - 94 yr. old man; frail		X	
30. HK - 83 yr. old woman confused, frail		X	
31. MP - 91 yr. old man; confused frai		X	
32. TF - 72 yr. old man; Park nsons emotional problems		X	
33. EB - 84 yr. old man; needs meals otherwise OK	X		
34. RH - 87 yr. old woma poor eyesight frail		X	
35. MH - 78 yr. old woman, recovering from broken hip	X		
36. JW - 73 yr. old ma heart cond tion	X		
37. BW - 66 yr. old woman; depression	X		
38. AR - yr. old woman; Alzheimers			X

Total # of people who would need Board & Lodging = 23 (61%)
 Total # of people who would need Nursing Home = 5 (13%)

HOUSING & REDEVELOPMENT AUTHORITY OF DULUTH, MINNESOTA

February 26, 1985

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Total cost of Board & Lodging care for 1 yr. for 23 people @ \$25.44 per day = \$213,568.80
 Total cost of Nursing care for 1 yr. for 5 people @ \$57.57 per day = 105,065.25

Total Cost \$318,634.05

Cost of CHSP for 1 yr. for 38 people @ \$16.07 per day = \$222,890.90

Annual Cost difference for 38 persons \$ 95,743.15

In many communities, the savings could be even greater if similar Board & Lodging programs were not available.

CHSP PROGRAM EVALUATION

CHSP, is very effective in meeting our participants' needs because it fills the gap between our "one meal per day" program, and our Board and Lodging Program, which provides 3 meals per day, 24-hour supervision and other services.

Since the start of our CHSP program in June 1980, we have had 166 admissions, and 128 discharges. In analyzing our admissions, we have the following information:

1. Type of care received prior to Admission

a. Independent living	= 136	(82% of all admissions)
b. Living with family	= 3	(2% of all admissions)
c. Board and Lodging	= 14	(8% of all admissions)
d. Nursing Home	= 13	(8% of all admissions)

2. Reason for Admission

Needed more care	= 136	(82% of all admissions)
Needed less care	= 30	(18% of all admissions)

3. Type of care needed

Long-term	= 135	(81% of all discharges)
Short-term (recuperative)	= 31	(19% of all discharges)

In analyzing our discharges, we have the following information:

1. Type of care received following Discharge

a. Independent living	= 48	(38% of all discharges)
b. Living with family	= 1	(1% of all discharges)
c. Board and Lodging	= 27	(21% of all discharges)
d. Nursing Home	= 40	(31% of all discharges)

2. Reason for Discharge

Needed more care	= 68	(53% of all discharges)
Needed less care	= 48	(38% of all discharges)

There is much movement within the program, both to higher and lesser levels of care. Because of the services offered by the CHSP, many individuals have avoided or delayed inappropriate nursing home placement. The following are average lengths of stay under the CHSP since the program began:

1. Individuals currently under the program - 27.28 months
2. All individuals admitted and discharged - 13.19 months

FIVE YEAR DATA SUMMARY

We recently collected data on our residents after five years of our Congregate Program at King Manor:

I. Basic Information

Opened May, 1979
98 Units
Average number of residents - 103

II. Turnover rate -

Approximately double the rate than in our traditional elderly buildings.
Served 216 persons to date

III. Service Movement

General Congregate -

43% of all basic congregate eventually needed CHSP or B&L services in 5 year period.

About 50% - higher - 1 service change
50% - 2 to 5 service need changes

IV. CHSP

Of people who leave program:

50% need more
50% need less

Population more stable - 20% service changes

V. BOARD & LODGING

30% change to lower service
20% change and remain
10% change but then require additional services again
Nursing Home admittees - 29% of total B&L population
Age Range - 53 - 90 years

What happens to them:

1/3 - 33% expire 5 mos.- 5 yrs.
45% still in B&L

22% return to nursing home for medical services
Average length of stay - 2 years

VI. Persons who left the program:

Overall population serviced (216)

29% - nursing home
14% - expired

2 - 1 ratio (same)

however, quality of life improved

We know, and now have documents to support it, that congregate housing with multi-levels of care has prevented or delayed institutionalization and that frail elderly can and should be assisted by service programs that keep them at a reasonably independent level. We know congregate housing is necessary to fill the gap between traditional housing and nursing homes.

Chairman GONZALEZ. I'll refer this question, to Mr. Glenn but actually I think it addresses itself in common to everyone of the members of the panel.

Recently I've been getting letters from New York, principally, from obviously elderly and they're saying, well, I think I had—the majority are saying—why do you have compulsory meal programs? One or two saying please keep the program.

A recently released GAO survey of 930 202 projects found that out of the 512 projects offering meal programs only 98 required tenants to participate on a mandatory basis.

However, GAO found that of the projects requiring mandatory meals, 60 percent do not accept food stamps, 71 percent do not offer any financial subsidies for meals, 53 percent require residents to pay for meals missed due to illness, and 29 percent require residents to pay for meals missed due to vacation.

It seems to me that if 80 percent of the 202 sponsors providing meals have managed to create voluntary programs and if 71 percent of the mandatory meal providers do not help lower income residents pay for their meals, we can no longer permit sponsors of housing intended for our lowest income senior citizens to require, as a condition for occupancy; that those seniors also pay for a meals program they don't like or cannot afford.

The question is what steps should be taken to help sponsors presently offering a mandatory meals program to transition into a voluntary program?

Mr. GLENN. Mr. Chairman, we appreciate the question. It's a good one.

National Church Residences has no mandatory meals program. Our facilities are independent housing. We do have in one facility that is a combination of Farmers Home and HUD-assisted section 8, a limited meals program. So out of our personal experience we can't answer your question.

We would refer you to a part of the report that is in your hand where GAO indicated that 70 percent of those that were participating in the meals program were satisfied with the program. Furthermore, the information we have is that, in a recent study by GAO, 80 percent of those participating would not want to withdraw from these programs if permitted to do so. We'll be happy to provide more information and data for your committee.

Chairman GONZALEZ. But the HUD report indicated those 70 percent said they would be willing to participate if it were voluntary, if I remember.

Mr. GLENN. You may be right.

Chairman GONZALEZ. I believe that was the interpretation and, as a matter of fact, you may have referred in your statement to that statistic.

Nevertheless—yes, Reverend?

Mr. CROOK. Our facility is 16 or 17 years old. When it was built it was the intent of HUD, I think, to provide community space. We had a very large dining room provided and a full commercial kitchen which was allowed in the construction costs. It became obligatory for us to furnish the dining room.

Over the years, we have attempted to run meals programs in a variety of ways. We could never really make it work on a voluntary basis. We do not have mandatory meals.

We've had times when residents have done cooking. We have, over the years, brought the meals programs in from the community, from the AAA-agency funded meals programs, that kind of thing.

It was not until we had the CHSP Program where we could afford to pay the cooks, which is where the cost is. If one could afford to pay the cooks, then I think that would be quite workable.

I guess the question would be and I throw this out just as a suggestion, if a staff person in the body of a cook were allowed in operational costs, which I think would be questionable at this point, then I think it could be worked nicely. But I'm not into it so I'm not—that's just a sort of an observation.

I do know, however, from the reports that we get the court systems have found that the mandatory meals program seems to be acceptable. Now, I don't want to deal with any more than that's what we understand from the rulings.

Chairman GONZALEZ. Well, of course, again Mr. Glenn referred to court rulings as to what's possible legally. In other words the interpretation, as I remember, was the legality of the contract that called for an arrangement based on mandatory means said it was all right as a contractual obligation.

And I realize, you know, that reports and statistics can show one thing but that the real life applicability, as the reverend pointed out, that who really isn't for voluntary and, of course, that should be the aim.

But if in the reality of administering the program where you have varying conditions among the tenants, as you will and aptly described, you didn't quite succeed except on a subsidized system or established system. It wasn't mandatory but that was the only way you could really deliver collectively en masse to the tenants.

What I was asking was from a practical standpoint if it were decided to move from a purely mandatory program to a voluntary one, how could that be worked out in transition? Well, I think you've touched on it and that is, well, give us the money and we'll be able to do it.

I think—I can see the problem.

Mr. Glenn, I think you had something you wanted to say.

Mr. GLENN. In the practical aspects of it, and I appreciate that Texas practicality. I think we need to be aware that the GAO study indicated that 70 percent of the elderly participants in the mandatory meals program are pleased with them. And I think that's obviously a high percentage.

On the question of mandatory-voluntary, let me just indicate that we developed a project in Wooster, OH—talking about colleges, that's my college. And the local sponsors felt there had to be mandatory meals. This was back in the early 202 Program. In our exploration of whether or not that would be financially feasible, we talked to Council Gardens, a Jewish facility in Cleveland, and they had a mandatory meals program but said that were it not for the extraneous support of Jewish Federation, it would be an economic disaster.

At that particular time, the Chicago HUD region had more senior housing than any other housing area in the country, and they had in particular facility that had a voluntary meals program that was economically viable.

I think Mr. George has had some experience, as has Ms. Reed.
Chairman GONZALEZ: Yes, Mr. George.

Mr. GEORGE: Well, I just wanted to make an observation that I would urge that certainly making decisions be done about abandoning or establishing the mandatory meals program in the HUD-insured projects, the cash-flow from the meals is built into the cash flow that services the HUD-insured mortgage. And this might have a bearing on whether or not a project is feasible at all or not in a particular area. There are many facets to this, and before it is just summarily dismissed, certainly, I think it's worthy of some very in-depth research.

Mr. MAFF: Mr. Chairman, if the subcommittee wishes to see an efficient meals service, it may wish to visit our 175-unit RC project at 2801 14th Street, NW, here in Washington, DC, NORA Estates on 14th Street, 5-year-old, 175-unit RC project. We've had meals there for the past 5 years without any supplemental funds from other sources. As a matter of fact, this program was cited in the January 1, 1955, edition of the Washington Post's Metro section, in the event you want to analyze the question of the practical aspects of an economically viable meal system in a RC.

Chairman GONZALEZ: A voluntary meal system, is that it?

Mr. MAFF: Yes.

Chairman GONZALEZ: Yes, Yes, Mr. George, you made one comment there. You didn't mean to say that the mortgage arrangement was being subsidized partially by payment of the meals.

Mr. GEORGE: Well, in establishing the feasibility for a particular project—of course, the cash-flow plays a very heavy part in determining the amount of the mortgage. And the amount of the mortgage in relation to the cost of production, if it isn't within a rather narrow framework of the cost production where the sponsors have to make a contribution of equity, the project just doesn't go forward, because sponsors historically will not put very much of their own equity contribution into a HUD-insured project to make it feasible. They want a high mortgage that will cover most of the cost of producing that facility.

And if there is in a situation where they need the revenue from the meals, from the mandatory meals, to bring up the cash-flow to support a particular mortgage, it may have a decided effect on whether or not a particular facility is being built in that area where it may be badly needed.

Chairman GONZALEZ: Well, of course, when we define mandatory meals program, what we're saying is that mandatory in the sense that it is a prerequisite for occupancy.

Now what I was interested in Mr. Simmons' testimony, we'll get that particular article to get more details, but any other details you might have, because I thought, well, maybe perhaps if we could have some suggestions as to a viable transition vehicle from mandatory to voluntary based on perhaps a request for recognition of additional funds. But I would ask the witnesses that if something

occurs to them in the interim, they would so advise us. We are open to suggestions.

Mr. Glenn.

Mr. GLENN. We appreciate the give and take. Let me simply observe that a 175-unit facility is rare. NCR, as previously indicated, has 50-plus facilities, none of which have 175 units under 202. And, certainly, today, under HUD's constraints, a 175 unit is a rare bird indeed.

Also, the question of equity that Mr. George touched on relating to 202, not to insured projects, the intent, we believe, of Congress was that this really be a 100-percent financing. And it's not today.

We have a project here in Maryland where HUD is saying we have to come up with a quarter of a million dollars as equity for the project, and this was never the congressional intent.

Chairman GONZALEZ. That's true.

Mr. GLENN. And we would hope that this committee and Congress would get some specific guidelines to HUD because it's extremely difficult.

One other aspect of working with HUD today is they say they give you 18 months. We had 13 1983 awards that were funded. Only 1 out of 13 has been processed by HUD. The other 12 are now beyond the 18-month limits.

In a meeting with Mr. Abrams sometime ago, he was decrying the lack of nonsponsors' alacrity in getting these into operation. And we pointed out to him through one of our consultants that the average processing time of HUD is 23 months, beyond, 5 months beyond their own targeting date.

Chairman GONZALEZ. That's true.

Mr. GLENN. And this is impossible to work with, and the frustrations and the bureaucracy of working with HUD today is almost impossible. And their architectural requirements, they come up with incredible requirements for meeting HUD's cost containment regulations, and so they're little gods sitting back in their own offices. You have to comply with it.

Then you come in and you're over budget and they say, "Well, that's tough. You have to go to Washington and meet the fair market constraints."

Well, it's impossible because their architectural section has insisted upon certain features that we as developers know are not realistic. And they say, "Hey, that's tough. You do it our way or else you don't do it."

Chairman GONZALEZ. That's true, Mr. Glenn.

Mr. Crook.

Mr. CROOK. Yes, meals service is one of the things that the CHSP Program has made possible for us. We have an average of 35 people in the program in the course of the year and, in addition, about 200 residents of a 150-unit facility. We have a program worked up to meet their needs. Of the 200 residents, probably 30 on any given week will sign up for meals. So that CHSP programs, not only serving the needs of the participants, is also serving the needs of nonparticipants.

And, again, it's because the CHSP Program allows the hiring of cook.

Now I think the wisdom of your putting the \$10 million in the H.R. 1 might in fact address that whole mandatory meals program, if the various people could then be involved in a CHSP.

Chairman GONZALEZ. Well, thank you very much. That's true. Let me say, Mr. Glenn, you, of course, are quite correct. We have been very much concerned because persons like yourself and others in other areas of housing have been constantly conveying to the committee the fact that we've confronted—I don't call HUD "Fort HUD" for nothing. [Laughter.]

Chairman GONZALEZ. It's turned out to be a major assault on a garrison because through rules, regulations, implementations of what obviously—where there should be no confusion. The language of the law is clear. The legislative history of the committee reports accompanying the legislation are very clear. They are limpid clear, if that's possible in legislative or Government language. But I must admire the language. It has been very clear.

But, yet, we have had to have major confrontations with HUD, where obviously the motivation is the intent of the administrators to not carry out the congressional intent, and to do under those programs or policies that they don't like, have never accepted, have always fought and resisted. I had the Secretary of HUD right there where you are in the case of the Emergency Home Mortgage Assistance Act of 1983. We had the same then facing us with H.R. 1 this year.

And he sat right there and he said, "Well, you know, we're against it totally. It's not needed. It won't work. Of course * * *"

I said, Well, suppose the Congress approves it? Will you administer it?"

Well, no question that his answer was very, very questionable. I had to remind him of the constitutional oath that the President takes to faithfully execute the laws of the country. And we are the ones that shape those laws. So that we are confronted with administrative problems. But they have everything to do with carrying out the congressional intent of the programs.

We've had a fight at every step at every page of each volume of announced and promulgated rules and regulations, or intended rules and regulations. We've tried to enforce what we call section 7(o) the Department of Housing and Urban Development Act.

But it's very difficult and I, for one, have always been a respecter of clear line of demarcation between our policy, our political function and the administrative function. I have been respectful of it. But I'm also very, very resistant to any intrusion on the part of the executive branch. And that's what we've had. We've had an open defiance, a challenge to the Congress. And so it's been very frustrating.

But what you report is very true and very accurate. Now our dilemma is also compounded by the fact that we are confronted with an administration that countered programs and policies that Congress had had in place, some for 40 years, like the insured FHA. And said, "Well, we're going to have a Presidential Commission and see what happens."

Well, the Presidential Commission was formed and deliberated and handed down its decision or report. And based on that report, the administration came up with one or two programs. They were

offering them no later than 3 months ago as the alternative solution.

The President has abandoned those completely, even those. The Secretary of HUD went to the National Home Builders Convention in Texas and announced the fact. He said, "We're pinning our whole thing on the voucher program."

The very next day the President announced through his budget message the abandonment of those very programs.

So what do you do?

Of course, I know what we should do and should have done all along. But the collective body of 535 individuals is not quite capable of rising in a unitary purposeful, quick action as the Executive. So it takes time.

You have been most valuable in enabling us to carry through in the forging of these policies. We have a real task this year. Of course, it's the year of truth, as I have said, and repeat. This year, either the Congress reaffirms or it abandons the national commitments that Congresses have made for 40 to 44 years. And so it is.

And you're very helpful because you're coming from the diverse sections of our country, and giving testimony as to what the needs are. I hear a lot about a freeze.

Well, what I say is that if the administration says that is a compromise and says, well, all right—at this point, they don't seem to be. I think, ultimately, that's what they'll be saying. If the Congress can get the country to freeze—if they can freeze births, for instance, why then I'll go along with the freeze. [Laughter.]

Chairman GONZALEZ. You and I know that isn't realistic. It doesn't come from real life. It isn't what our constituencies are telling us anyway, anybody who bothers to go and meet with them.

So thank you very much for your time and those of you who traveled large distances. And we will be in communication with you, and we'll be looking forward to receiving the reports you, Reverend Crook, have promised. And also whatever you, Mr. Simmons, can give us with respect to the successful voluntary meals program.

So thank you very much. Have a safe and happy return to home.

Mr. GLENN. We think we need another President from Texas, and if you run in 1988, we'll vote for you, sir. [Laughter.]

Chairman GONZALEZ. Well, you know, the Californians used to complain about the Texans dominating, and I said, "Well, given what you've given us in recent years, I think you'll all opt to have the Texans." [Laughter.] [Applause.]

Chairman GONZALEZ. Our next panel consists of Mr. Randall Smith, who is a resident of St. Margaret's House, New York, NY, and cochairman of the Senior Citizens Committee Against Mandatory Meal Programs.

So it may be that some of the panel that is just leaving might wish to stay and listen to him.

Incidentally, he is the only resident or tenant that we are going to have as a witness, and it will be very interesting.

We have Ms. Patricia Eaton, the manager of Clyde Simon Lakeview Apartments in Bath, NY, former board member, the National Council of Senior Citizens, and we have Joy Blumkin, Esq., Westchester Legal Services of White Plains, NY.

If there is no objection or if the other two witnesses do not have time constraints, it is my intention to recognize Mr. Smith first because, as I said and repeat, he is the only live and kicking resident we are going to have here in the hearings, and it will be very important to listen to him, and also because I have suggested to some of the departing witnesses may wish to stay over to hear Mr. Smith's testimony.

So without any further ado and with no objection, we recognize Mr. Smith.

STATEMENT OF RANDALL SMITH, RESIDENT, ST. MARGARET'S HOUSE, NEW YORK, NY, AND COCHAIRMAN, SENIOR CITIZENS FIGHTING MANDATORY MEALS

Mr. SMITH. I want to thank you, Congressman Gonzalez. Your name, a Texas name, has been talked about a great deal in a senior citizen 202 project in Manhattan in the last—

Chairman GONZALEZ. Well, as I tell some of my fellow members here, very few of them have the pride to have such a gentle and American surname as mine. [Laughter.]

But actually, down in Texas "Gonzalez" is a "Smith" of the Southwest.

Mr. SMITH. No, but there should be good ESP coming down from the area of the Fulton Fish Market, the Brooklyn Bridge, and Chinatown and Wall Street, which is where we are.

Chairman GONZALEZ. East Brooklyn?

Mr. SMITH. We look right across the river to Brooklyn Heights, but we look down on the Brooklyn Bridge. [Laughter.]

I have a prepared statement which I have submitted for the record, and I am not going to touch on it because it covers in writing what we thought we were going to be saying down here until we arrived yesterday and discovered that after 15 months—maybe it is 16 months—since November 1983 that GAO had finally completed the report that we had been holding our breath for, we had been standing in the middle of the ocean waiting for, and it pops up yesterday.

So last night I was up to 2 o'clock in the morning trying to decipher their statistics, which I think are faulty. I think they are—GAO, I have always had a great deal of respect to, but the statistics they have in this report, this long-awaited 15-month report, are bad. They are bad statistics and need to be examined by a statistician.

Second, the GAO report, in a very fascinating way avoids the tenants in favor—except for the one survey, who are some satisfied tenants. It doesn't apparently go into the dissatisfied tenants, who have gone to court for the last 3 or 4 years, to Federal court, to try to get the mandatory meal plans voided on the grounds that they constitute a form of rent when they are a precondition to admission.

We have lost that at the Supreme Court level. We are still pursuing the fact that mandatory meals are a violation of antitrust laws. We have 50 restaurants within a quarter of a mile of our building, including a McDonald's across the street and Chinatown a quarter of a mile away with more restaurants per square inch than any

part of the United States. We have all the Wall Street clerks' lunchrooms in the vicinity. We are loaded with options, but we are forced—let's change the words here.

"Mandatory"—we have stopped using the word "mandatory." We went to the dictionary, and we found that "compulsory" was a better term because when you are forced to do something it is compulsory.

"Mandatory" is one of those tricky words that some people don't understand what it means. You are compelled to eat 365 meals in a year in a profitmaking cafeteria. Boy, that is punishment.

The only other place you get that is in Sing Sing or Attica or someplace like that, or maybe a seaman aboard ship or maybe a private in the Army may have to be forced to eat.

When you have no competition, no free enterprise, no need to solicit trade by having appetizing meals, believe you me, we get bad meals because once the contract is signed for around \$350,000—it is not chicken feed—the food contractor who makes a profit as well as a management fee, from then on he doesn't have to deliver anything.

And the rules—you ought to see the rules. If you have soup, you can't have salad. If you have more than two slices of bread, you can't have dessert—that kind of nonsense.

And here's the senior citizens standing in line, as many as 20, 30 people standing in line for up to 15, 20 minutes, on their crutches, with their walkers, with their pacemakers, to get in and get their tray and find which of the two entres they want, and they discover that everybody ahead of them took the good entre and they have got the leftover entre, and these entres are steam table entres.

Well, obviously, not everybody is satisfied, and yet the landlord is satisfied. The landlord is very satisfied, and that is what GAO surveyed, the landlords. Are the landlords satisfied with the thing? Of course, they are satisfied. If they weren't satisfied, they would abandon it and go to voluntary long since.

So the landlords are satisfied; the tenants are not satisfied, the senior citizens.

I might say that we are getting a little paranoiac by this time, since we contributed how many billion dollars it was to the Amex a couple of years ago through the Presidential Commission. We were the ones that made the donation by getting our COLAs chopped, and it looks like we are up for another chop again because we are not very well organized.

It may not matter to the higher income senior citizens in ARERP. The Black Panthers seemed to have gone semi-out-of-existence, probably by aging and attrition and death or something. So we are going to start the Black Tigers—I mean the Gray Tigers.

Did I say Black Panthers? I meant Gray Panthers.

So we are going to start the Gray Tigers, who are going to be the activists, I hope—

Chairman GONZALEZ. Excuse me, the Black Panther Eldridge Cleaver turned Republican last year.

Mr. SMITH. I see. [Laughter.]

Lots of luck. Lots of luck.

Chairman GONZALEZ. Well, you know what Sam Rayburn used to say about Texans. You know, in the older days in the rural areas

amenities came a little slower, and finally they got inside plumbing. He said, the trouble with that is that once we give them inside plumbing they turn Republican. [Laughter.]

So that is true.

Mr. SMITH. Now, they will probably become holy-rollers in the year 2,000.

I didn't mean to get aside, but I am tempted to because the first time I came to Washington to testify on something it was on the Wagner Act, to get the Wagner Act passed, to get Social Security, to get unemployment insurance in the days when your neighbor Maury Maverick was down here and Lyndon Johnson was a Congressman, and the National Youth Act.

And then the next time I came down it was on the Neutrality Act in connection with the Spanish Civil War, and when we didn't get that, except for John T. Bernard and what's his name, why, I went to Spain and was in the Lincoln Brigade.

I came back and was in the Merchant Marine and then came down here a couple of times on the Seaman's Bill of Rights and unemployment insurance for seamen. We were the only industrial workers that didn't have those benefits who had 5,000 casualties at sea. We didn't get that either.

We have won some, we have lost some, and I appreciate the problems, and I certainly appreciate your interest in this which will probably be the last hurrah as far as I am concerned on congressional concerns.

If I can get back on the subject, let me read something here. There's over 300 tenants in our building, and we are enthused—enthused—about section 202. It is a marvelous program for independent living. We want to be independent, and we can be.

I can be independent. I can fry eggs, make an omelot, make a beef stew as well as I have been able to for 50 years. I have been able to take care of my own nutrition. I wouldn't be 69 years old if I hadn't been pretty good with nutrition and deciding what I need to eat.

And I don't need my landlord to tell me, and I don't need my landlord to tell me to get dressed and come down. I have to come down to pick up my mail anyway, or maybe I want to go for a walk.

So I don't need to be told by my landlord to get dressed and come down. I don't have to be inspected by my landlord.

And those are the three reasons they give for compulsory meals. We want to force you to get dressed. We don't want you to stay in your apartment and enjoy yourself, and we want to tell you what you should eat, which is these cafeteria meals which make everybody sick.

Incidentally, since we started protesting this thing, four of our members have died. The gentleman said don't rush into this. I say please speed it up, all due haste, all due possibilities. We can't wait forever.

We get stuck for this \$110 a month, and if we want to go and eat with our kids or our brother or our sister who lives someplace near us, it costs us \$3.50 before we walk out the door because we have to pay for these 365 meals.

If we want to go on a vacation—nobody much can afford a vacation on a low income, but let's say we want to go to the country for a weekend or something, we got to figure out that it is costing us \$3.50 a day because we have paid for something we don't get.

On up to fantastic things, like an 84-year-old gentleman who lives in the building who went to the hospital for 4 months and paid \$440 for meals in the building while he was in the hospital eating hospital food, which was a little better.

And if anybody knows hospital food, why, anything that is better than hospital food is probably is almost as good as Sing Sing or Attica or something like that. They can riot, we can't. [Laughter.]

I have lost my train of thought. Let me recapture it here. I get a little carried away. I am sorry. I am very emotional about this.

We had to go to court—or other people before me had to go to court to force this particular housing project to open up to minorities. It was set up by the grace of the Trinity Episcopal Church, and they had a whole batch of registration of elderly people from the Trinity Church but they didn't have any blacks, Puerto Ricans, or Chinese, and here it is right beside Chinatown.

They went to court and got a stipulation out of the court, an agreement out of court settlement, that forced them to open up.

One reason they didn't have Hispanics is they advertised in English in a Spanish language paper on a Wednesday and had a deadline for applications on a Friday, after the Wednesday announcement in English. But that was one example in the court case.

But they came around, and it is now a wonderful mix, a diverse mix, one reason I was glad to get in there. My neighbor on one side is a Chinese. My neighbor on the other side is a Puerto Rican. The person across the hall is a black, and down the hall is an Orthodox Jew and over here is a Reformed Jew. It is Italians—I met one of the tenants the other day; he is a Frenchman who was a captain of a ship at Dunkirk.

So you have marvelous mixes of people, and we socialize naturally. We don't need to have a compulsory meal program in order to make us socialize. We socialize because we are friendly people. We live in the same building, and we like some people and some people we don't.

So that is the mandatory.

I would like to give some other examples. There is a retired lieutenant in the Army, a retired captain in the Army. There is an Equadorian official down there.

There is—the Chinese are particularly interesting people because there are all kinds of Chinese. There's Taiwan Chinese, there's Hong Kong Chinese, there's Singapore Chinese, there's San Francisco Chinese, there's Gormingtang, there's mainland Chinese. None of them can speak each other's language, which was a little shocking because I thought Chinese people spoke to Chinese people. But the Chinese people can't always speak to other Chinese people because of the languages.

But that cultural opportunity is an exciting, wonderful opportunity.

There's also an economic thing. The lowest income person—the low-income people that we have there are people—it is in my statement—are incomes like \$365 a month, \$374, \$306, \$385. Their con-

tract rent, due to the rent supplement, is \$65, \$75, and then on top of that \$110 for meals they don't want and don't eat.

Now, you can imagine a Puerto Rican or a Chinese coming down and having veal or having some of the dishes that maybe Episcopalian-like, maybe even Presbyterians like myself, but are not particularly their cuisine.

When I want to buy groceries, I go to Chinatown. The vegetables, the fish are all cheaper, better, fresher than any place else you can get.

So this makes it unaffordable. They are restricted by the Brook amendment to 30 percent of income for rent in a Federal housing project, fine, and then a bigger than that amount for meals that they don't want, don't eat, and so forth.

I came there two years ago. I had been on every waiting list in every section 8 and section 202 since I had had open-heart surgery and had to retire from my job with Edison Electric Institute, no less, and I was living in a dump which was going to be abandoned soon, and I had applied every place. Waiting list, waiting list, waiting list. Forget it, we won't even put you on the waiting list. All over town and other cities, too.

And finally, one day I got a call from a friend, and he said come down and make out an application. I said, geez, I can't, they won't take an application. I called them on the phone, and they said they had 400 on the waiting list.

He said, never you mind, come down. I came down. They interviewed me, gave me an application. I got the certification of my income, Social Security, and so on, and health, and they said which apartment do you want?

And 3 days later I was in. Well, I was asked to sign the lease which provided for these mandatory meals. I would have signed to join the Trinity Church and go to church every Sunday and twice on Wednesdays to get into a 202 project. Believe me, I was just in such a situation that—just one step short of skidrow—that I would have done anything to get in.

I said, well, maybe the meals are OK, I don't know. So I paid and I tried the meals for a month. The meals were so bad I was sick at my stomach. I could only eat—well, I took the coffee, you know, and I would take maybe the salad and the soup, and that would be it. And after a month, I said, oh, to heck with it, I won't even bother to go down there anymore.

And there were arguments at the tables, and people were socializing that I didn't particularly want to socialize with, and so on.

At any rate, but I kept on paying. I paid for a year and a half \$110 a month on top of my rent in order to stay in the building, and I considered it, well, that is a \$110 tax or payola or under-the-table, however you want to call it. I would have done anything to get in there as a precondition to getting in there.

But after a year and a half I said, why? Why should I do this when it is—if it isn't unconstitutional, it should be? It is wrong, wrong, wrong to impose conditions on defenseless elderly people who need housing as a precondition to getting something that the Federal Government in its wisdom has provided them with, and we formed this committee, and we have been fighting pretty vigorously ever since and getting educated, because as we research HUD

through the Freedom of Information Act we are coming on things that indicate a lot of investigation needs to be done.

I think GAO should investigate HUD, but I think HUD needs to investigate some other aspects of HUD that does not do a good job of supervising projects. As we get the budgets and see the budgets of these loss operating, this is operating at a loss, this compulsory meal, even they're guaranteed 350 customers, guaranteed—how would you like to open a restaurant and be guaranteed 350 customers a day for a year? Pretty good. And within that, getting management fee and an operating fee.

You asked the question about voluntary versus compulsory. By God, the voluntaries are working. Restaurants are voluntary. If they have good food, you go to the restaurant. If you can afford it, you go there. You get your—whatever it happens to be, your hamburger steak or whatever you choose to eat that day or don't choose to eat. But here there's this monopoly. It should be supervised by the Public Service Commission, because it is not a voluntary thing. There are lots of food suppliers right in our neighborhood. There's something about 15 Meals on Wheels' Programs. Within our neighborhood. Within walking distance, and they were willing to deliver for the housebound, for 50 cents, not \$3.50, but 50 cents. And those are subsidized, State and city, and so forth. There's many other options of that sort.

What about all the other section 202 projects that do have voluntary that's working?

And then let's look into the dozen or so that have been forced to go to Federal court, Federal court to try to get this thing straightened out. And that takes a long time. It happens that the judge assigned to our Federal court case with the Legal Aid happens to be Pierre LaVal, who's been busy with Westmoreland and now is going to be busy with the Mafia, and I don't know when he's going to get down his calendar to our case.

But we ask for all deliberate speed. We are aging, time is passing, it is frustrating, it is anxiety provoking.

Let me give you a couple of anxieties. Josephine Gonzales, 73 years old, Social Security income \$368, pays \$73 rent and \$110 for food. She says down here, "I keep a telephone because my pacemaker is checked by phone every 2 weeks." She has to pay for that phone, \$25 a month, out of what's left, out of what's left of her \$368, after she pays her rent, and after she pays her mandatory meals. Then she says, "Well, you know, I also have to buy things like soap, toilet paper, subway tokens, postage stamps, a few other things that I have to pay out of what's left."

Here's a Chinese—\$450 for a couple. They pay \$146 rent. They pay the mandatory meal program \$220. This Chinese says, "My God, these big noses"—which is what Chinese call us Occidentals—"they're crazy. For \$220, I could feed 20 people. You know, I need bok choy, and I need a little fish, and I need a little chicken and a little pork and some soy sauce and some onions, and I can make a meal for 10 people. But for \$220 a month? Why I'm broke." And he says on his statement, "My savings are running out."

I could go on with these. I've got a lot of for instances of this, and because this GAO thing was sprung on me yesterday, I feel that we should go back and analyze that GAO, because of its weaknesses

that I saw at midnight last night, and resubmit them to you as our analysis of how they fouled up, other than taking 15 months. I know they're busy. I know there's other things in this world like deficits and MX missiles and freezes and things of that sort.

We're a small problem, we're an ad hoc problem, but like Gideon's battle, sometimes these little problems are important. They assume an importance because they're a question of justice and fairness and recourse and credibility and confidence in Government.

I hope you continue to fight as you have fought to get a little bit of common sense into this situation and keep us in mind, because we care and we're watching, and we're appreciative. We're very, very appreciative to you.

And I have here a note to you identifying me as the spokesman signed by about 25 of their executive committee, which I'd like to submit. That's really more than I intended to say, but I am very concerned about this thing, because I think it's a justice question. I think it's a simple, simple justice. Compulsory meals, in order to get into Federal housing? I got to eat 365 meals in the same cafeteria? It can't work voluntary? McDonald's is voluntary. If they aren't good, you go to Burger King.

[Mr. Smith's prepared statement, on behalf of Senior Citizens Fighting Mandatory Meals, follows:]

STATEMENT OF RANDALL SMITH

Introduction

Senior Citizens Fighting Mandatory Meals is a group of informed senior citizens opposed to mandatory meal charges in federally subsidized housing for meals we do not need, do not want, and cannot afford. The members of Senior Citizens Fighting Mandatory Meals reside at St. Margaret's House, 49 Fulton Street, New York, New York, a federally subsidized housing project for the elderly or handicapped. Our members are ambulatory and capable of independent living. Like all St. Margaret's House residents, we have full kitchens in our apartments. Nevertheless, despite our acknowledged capacity to care for ourselves, we are compelled, as a condition of obtaining desperately needed subsidized housing, to pay meal charges of \$110.00 per month for one "cafeteria-style" meal each day. These mandatory meal charges are unjust; they subvert the purpose of our federally subsidized housing; they are excessive; they rest on erroneous, paternalistic assumptions about our ability to care for ourselves; and they should be illegal under federal law.

This statement sets forth the reasons we urge that Congress make mandatory meal charges illegal in federally subsidized housing for citizens capable of independent living. In brief, our reasons are as follows.

First, despite claims to the contrary, mandatory "cafeteria-style" meals for every resident are not necessary to ensure proper nutrition. We have full kitchens in our rooms, and many

if not most of us are entirely capable of preparing nutritional meals. For those occasions on which we do not wish to prepare meals, many restaurants are nearby. Senior citizens with limited incomes may avail themselves of the many "Senior Centers" in Manhattan offering prepared hot meals for senior citizens at considerably less than the cost of a meal at St. Margaret's House. Non-ambulatory tenants may take advantage of New York City's free "Meals on Wheels" program. Food stamps would be available to assist low-income tenants -- although ironically we are disabled from using them for prepared meals at St. Margaret's House. In short, many alternative meal sources and programs exist to ensure our proper nutrition.

Second, the cost of the meal program is, for many of us, excessive, both in terms of our limited resources and in comparison to the cost of alternative meal sources. Most St. Margaret's residents are low-income tenants whose rents are federally subsidized. For many of our members, the monthly cost of one cafeteria-style meal per day is more than 150 percent of our share of the rent. Moreover, because we are compelled to support the fixed costs of maintaining and staffing a cafeteria, the cost is considerably greater than we would spend for food prepared by ourselves, at Senior Centers, or by other means.

Third, the mandatory meal program subverts the purpose of our federally subsidized housing. Our housing, financed under

Section 202 of the National Housing Act, is constructed for persons capable of independent living. The premise behind our mandatory cafeteria, to the contrary, is that we are incapable of independent living. And the substantial meal charges imposed over and above our "rent" compel many of us to forego other necessary expenditures, to cancel travel plans, or to omit many of the things which in our senior years we are entitled to enjoy.

Fourth, many of our members are of Chinese or Hispanic descent. Their cultural heritage does not include American, cafeteria-style prepared meals. They find such food distasteful and undesirable, no less so than might some religious persons find certain foods foreign to their culture. And yet even when they prepare appropriate meals in their own kitchens, they are made to pay \$110.00 per month to subsidize cafeteria food they do not like and do not eat.

Fifth, St. Margaret's cafeteria would be financially viable if the meal program were voluntary. Moreover, we believe that food quality would generally be higher if the cafeteria management were forced to compete for our patronage. That is, after all, the American way of doing business. We also believe that the mandatory tying arrangement between our housing and our meal plan is illegal under the antitrust laws.

I. The Mandatory Meal Program Is Not Necessary to Ensure Proper Nutrition

St. Margaret's House tenants can obtain nutritionally adequate meals from a variety of sources. Of course, some tenants may wish to avail themselves of the St. Margaret's cafeteria on a voluntary basis. But those who do not wish to do so are fully capable of preparing or obtaining appropriate meals.

A. Full Kitchens

Every apartment at St. Margaret's House includes regular kitchen facilities. Because we are ambulatory, we are fully capable of purchasing and preparing food. Many grocery stores are within walking distance of our building, and bus or van transportation is readily available to other locations. By requiring that we participate in a daily cafeteria meal program, our kitchen facilities are largely wasted. We are deprived, moreover, of the satisfaction of preparing our own selection of meals to our own tastes.

B. Alternative Sources of Prepared Meals

Residents who do not wish to prepare meals in their own kitchens have a variety of alternative sources of prepared meals. Restaurants of all kinds surround St. Margaret's House. Senior citizens with limited incomes may take advantage of the many "Senior Centers" in New York City; six Senior Centers in lower Manhattan provide nutritional meals for the elderly at nominal cost under programs administered by the New York City Department

for the Aging.¹ And homebound seniors and handicapped persons may obtain hot meals delivered under the City's "Meals on Wheels" program, which provides hot meals to the homes of non-ambulatory persons free of charge.

II. The Mandatory Meal Plan Cost Is Excessive

Most of the residents at St. Margaret's House are low-income tenants whose rents are subsidized under Section 8 of the United States Housing Act.² Under federal law, Section 8 rents are capped at 30 percent of monthly adjusted income.³ For many of our members, therefore, monthly mandatory meal charges for one meal per day are far greater than our share of the rent (our "contract rent").

The following table summarizes the approximate monthly incomes (if publicly known), contract rents, and percentages by which mandatory meal charges exceed the contract rent, for fifteen of our low-income members. As the table indicates, for twelve of the fifteen residents, mandatory monthly meal charges for one meal per day exceed 100 percent of the contract rent. And for seven of these fifteen residents, mandatory monthly meal charges exceed 150 percent of the contract rent.

¹See New York City Department for the Aging, Manhattan Directory of Senior Centers, pp. 1-2.

²42 U.S.C. § 1437f (1982).

³This essential limitation is contained in the Brooke Amendment to the Act, 42 U.S.C. § 1437a(a) (1982).

Table 1

Tenant No.	Monthly Income	Contract Rent	Meal Charge	Percentage
1	365.21	64.00	110.00	171.88
2	374.91	64.00	110.00	171.88
3	----	65.00	110.00	169.23
4	306.00	66.00	110.00	166.67
5	----	68.00	110.00	161.76
6	385.00	69.00	110.00	159.42
7	----	70.00	110.00	157.14
8	410.05	79.00	110.00	139.24
9	----	81.00	110.00	135.80
10	----	85.00	110.00	129.41
11	----	86.00	110.00	127.91
12	----	109.00	110.00	100.92
13	----	114.00	110.00	96.49
14	621.00	124.00	110.00	88.71
15	----	125.00	110.00	88.00

Section 8 housing is, of course, intended to serve low-income tenants. We do not believe Congress intended that mandatory meal charges far greater than our contract rents be imposed over and above our rental costs. These charges render Section 8 housing unaffordable for the very tenants who are the program's intended beneficiaries. And they effectively circumvent the 30 percent limitation on mandatory charges under the Section 8 program.

The mandatory meal charge is also excessive in terms of the cost of preparing meals in our own kitchens. This high cost per meal is caused by the expense of paying substantial payroll, administrative, and management costs for operating a small cafe-

teria. Recent statistics obtained from the United States Department of Housing and Urban Development (HUD) indicate that these administrative and payroll expenses are substantially greater than the cost of purchased food. The most recent contract between St. Margaret's House and Nutrition Management Services Co., which manages its cafeteria, reports the following annual income and expenses:

Table 2

Annual Income and Operating Expenses: St. Margaret's House

Income

Resident Sales	\$ 382,800.00
A La Carte Sales	52,743.00
Sales (Total Income)	435,543.00
Food Cost	175,200.00
Gross Profit on Sales	260,000.00

Operating Expenses

Payroll (Management and Hourly including taxes and fringes)	223,666.00
Direct Costs (paper, cleaning supplies, insurance, etc.)	20,363.00
Administration fee	26,660.00
Management fee	13,066.00
Total Annual Operating Cost	\$283,755.00

Source: Management Agreement between St. Margaret's House and Nutrition Management Services Co., Exh. B (commencing Jan. 1, 1984).

As the table indicates, payroll, administrative, and management costs for St. Margaret's cafeteria are a whopping \$263,326.00, far greater than annual food costs of \$175,200.00. If an average of 300 meals are served nightly, these non-food expenses contribute approximately \$2.40 to the cost of every meal. For this reason, the per-meal cost at St. Margaret's House is far greater than our own costs of preparing nightly meals. As low-income tenants, we strongly object to paying these substantial, unnecessary charges for meals we are capable of preparing ourselves.

III. The Mandatory Meal Charge Subverts the Purpose of Section 202 Housing

Section 202 housing is designed specifically to "promote independent living by elderly or handicapped families."⁴ Accordingly, every apartment in St. Margaret's House is equipped with a full kitchen. Rather than permitting us to live independently by preparing our own meals, however, St. Margaret's House compels us, at substantial cost, to utilize common dining facilities. This requirement frustrates the purpose of Section 202 housing to promote independent living.

We emphasize that our members are ambulatory and not in need of regular nursing or other intensive personal care. We are not

⁴24 C.F.R. § 277.2 (1984).

feeble and do not expect to be patronized. We ask for the same dignity and respect to which every member of our society is entitled. Perhaps some day we will need compulsory meal services. Today we do not; and if God wills, we will not for some time. Until that day, we ask that we be treated as responsible adults. We do not believe that a government speaks well for itself that treats its senior citizens as children. Certainly no purpose of the Section 202 housing program is served by requiring the participation of able senior citizens in a mandatory meal program, and we respectfully ask that an end be put to it now.

IV. The Mandatory Meal Program Is Incompatible With the Cultural Heritage of Many St. Margaret's Residents

Many St. Margaret's residents are of Chinese or Hispanic descent. They were not raised on American, "cafeteria-style" meals and have never, as adults, made them part of their menu. To ask at this stage of their lives that they change the eating habits of a lifetime is simply unfair. And yet if they abstain from using St. Margaret's dining facilities and prepare appropriate meals in their own kitchens, these indigent tenants are made to subsidize cafeteria meals that they do not like and do not eat.

One of the great strengths of St. Margaret's House is the diversity of the people who live here. Tenants of many races and religions reside here together and learn from one another. By

requiring that we eat the same food at the same place and the same time every day, HUD and St. Margaret's House overlook a great lesson to be learned from our pluralism: they ask that we become the same. Respect our diversity; the multiplicity of our tastes and habits is our strength and should be preserved. Compulsory meal programs for those who neither need nor want them are fundamentally inconsistent with this basic principle of our society.

V. Financial Constraints Do Not Justify the Mandatory Meal Program

Finally, we do not believe that financial constraints justify making the meal program mandatory. First, many St. Margaret's residents would undoubtedly participate in the meal service voluntarily, permitting the cafeteria's fixed costs to be spread among a large number of people. And by forcing the cafeteria to compete for our patronage, we believe that food quality and selection would improve, thus attracting paying customers from outside St. Margaret's House. The combination of these factors will, we think, leave the cafeteria on a sound financial footing even on a voluntary basis.

Second, even if the price per meal were to rise slightly were the meal program voluntary, such a price rise would not be a legitimate reason for making the program mandatory. The price would, in that case, reflect the real cost of operating the pro-

gram. If the cost is deemed too high, it should be subsidized by appropriate means. Meal prices should not, however, be subsidized by indigent Section 8 tenants who do not use the meal service.

Lastly, we believe that the tying arrangement between our rent and the meal service is illegal under the antitrust laws. The Supreme Court has held that tying arrangements are per se unlawful under Section 1 of the Sherman Act.⁵ Our meals and housing are separate products and services under any ordinary understanding of those terms, tied together by the condition in every lease requiring that we pay mandatory meal charges in order to obtain federally subsidized housing. We believe that these charges affect a not insubstantial amount of interstate commerce.⁶ Most importantly, Section 202 landlords are able to exploit their control over desperately needed housing to force elderly or handicapped tenants into the purchase of meal plans which they "either did not want at all, or might have preferred to purchase elsewhere on different terms."⁷

We feel, in short, that mandatory meal plans in Section

⁵Jefferson Parish Hospital District No. 2 v. Hyde, 104 S. Ct. 1551, 80 L. Ed. 2d 2 (1984).

⁶Fortner Enterprises v. United States Steel Corp., 394 U.S. 495, 497-98 (1969).

⁷Jefferson Parish, 80 L. Ed. 2d at 13.

202 housing take unfair advantage of the desperate need for suitable housing for the elderly or handicapped. They do so, in cases like ourselves, not for the necessity of the residents -- for we are capable of caring for ourselves -- but for the financial convenience of the landlord. As a result, many indigent Section 202 tenants find themselves subsidizing the price of food that they do not need, do not want, and do not eat.

VI. Conclusion

In conclusion, we urge that Congress declare mandatory meal plans in Section 202 housing illegal. Section 106(b) of H.R. 1, introduced by Representative Gonzalez, is a commendable step in this direction. We ask that paragraph (2) of Section 106(b) be strengthened by establishing a date certain after which mandatory meal charges in Section 202 housing shall be unlawful as a condition of occupancy.

Chairman GONZALEZ. Mr. Smith, before we go on to the other two panelists, St. Margaret's House, has how many units?

Mr. SMITH. It has 250 units and 300 and some tenants, because of couples.

Chairman GONZALEZ. And what kind of a unit do you occupy?

Mr. SMITH. A one-bedroom apartment. Wall to wall with stacks of papers.

Chairman GONZALEZ. You also referred to, in the course of your Freedom of Information obtainment of documents that there are some apparent irregularities in HUD?

Mr. SMITH. Negligence. Negligence.

Chairman GONZALEZ. Well, we're interested in all of that.

Mr. SMITH. I would like to do it. I just don't want to confuse the issue at this point.

Chairman GONZALEZ. I understand, but if you feel free and are able to do it, we'd like to have the documentation and evaluate it. It would be helpful to us.

Mr. SMITH. Yes.

Chairman GONZALEZ. Thank you very much, Mr. Smith.

Mr. SMITH. Can I add one thing. I have forgotten a lot of things, but while I'm still here, I'll remember this one.

Our Mandatory Meal Program ran at a \$200,000 deficit the first 2 years of operation. \$200,000. They made it up out of rent income. Fortunately, HUD caught them at this and ordered them to take it back out of rent income. That it was improper for them. Their financial judgment, by HUD, was very poor financial management. They had a reserve fund in an uninsured account of \$400,000 and HUD gave St. Margaret's a bad rating. St. Margaret's has had its problems. They have very expensive administration. The administrative costs are incredible. Very high. Ratio to the rent income. And I think HUD does not properly supervise the ratio of administrative costs for officers and offices and facilities, and so forth. There should be a ratio between the number of occupants in the side of the people and the amount of administrative costs. We are gold plated administratively. Gold plated. And still the financial accounts do not come out right.

And the people are well-intentioned, but incompetent. But please don't give us anything more than is good for us. Don't do things that are good for us that we don't want.

Chairman GONZALEZ. We will proceed then and recognize Ms. Joy Blumkin, Esquire, of the Westchester Legal Services of White Plains, NY.

And thank you again, Mr. Smith, for your presence and traveling over to be with us.

Ms. Blumkin.

STATEMENT OF JOY BLUMKIN, STAFF ATTORNEY, WESTCHESTER LEGAL SERVICES, INC., WHITE PLAINS, NY, ON BEHALF OF TENANTS OF SOUNDVIEW APARTMENTS, NEW ROCHELLE, NY

Ms. BLUMKIN. Thank you, Mr. Chairman, for giving me this opportunity to represent the views of my clients, some 45 poor and elderly tenants who live in a section 202 project in New Rochelle, NY. The project is called Soundview Apartments.

I can see that you're quite aware of the problem that these tenants and other tenants across the country are suffering, who are subject to a mandatory meal plan. So I'll be brief and just highlight some of my written testimony.

Chairman GONZALEZ. If you'll yield to me, your prepared statement which you submitted to us in ample time to look at, as well as Mr. Smith's prepared testimony will appear in the record as you presented it to us in a prepared form, and then you may proceed as you see best. You may wish to summarize your testimony.

Ms. BLUMKIN. Thank you. I'd like to note that my clients, but for the mandatory meal plan, would be enjoying rents that would be limited to no more than 30 percent of their income. As a result of this mandatory meal plan, they are required to pay not only the 30 percent of their income, but over and above that, an additional \$120 monthly. They pay this \$120 a month to a private party, their landlord, to purchase 30 dinners a month. They pay this amount whether or not they wish to eat any of the meals, whether or not they're medically permitted to eat any of the meals or whether or not they're hospitalized for the entire month.

As you can tell from the testimony of Mr. Smith and the distinguished witnesses who came before him, housing for poor, elderly people is very, very tight. Impoverished tenants will move into a building with plans such as these, whether they want them or not, simply because they have nowhere else to go.

Tenants are dissatisfied with these programs for a variety of reasons. Unusual diets or medically required diets are common among the elderly, such as diabetic or low salt diets. One of my clients had an artificial stomach, because he was suffering from cancer. As a result he was required to eat only high protein diets and eat small amounts throughout the day. His doctor informed him that he should not be eating the meals in the meal program. He was not granted an exemption by the landlord.

Another couple whose affidavit you have annexed to my testimony cannot partake of this service, because the husband is employed as a custodian in a public school and works from 3 in the afternoon to nearly midnight. The meal that's offered in the mandatory program is offered at 6 o'clock, and he can't make it. His wife is diabetic and blind. She's on a very severely restricted diet, and her physician has also told her not to eat the meals. They have asked for an exemption and have been refused. The drain on their income of \$240 monthly in 1981, prevented my clients from buying warm clothes that he needed to go to work and made it very difficult to meet their medical expenses.

Similarly, another couple who are now in their nineties, generally winter with their children in Florida. Nevertheless, during the 6 months that they're gone they must pay \$240 monthly for meals that they cannot eat. They've asked the landlord for an exemption, and they've written to HUD for an exemption, and HUD has refused. The letter from HUD, again, is also attached to my written testimony.

One very troubling example, again, an affidavit which is attached to my testimony, is of a woman who can get no nutritional benefit from the meals at all. She notes that prior to the apartment becoming available at Soundview, she had been on waiting

lists for subsidized housing in New York City for 8 years without an apartment opening up. She was desperate to move from her former apartment in New York City because she had been mugged there, and the building was in bad condition, but she could not move to an unsubsidized apartment, because her income was very low. She received Social Security benefits of \$232.20 and Supplemental Security Income of \$115.71 and food stamps of \$34.

This woman, upon moving to Soundview, discovered that she had to purchase the meal service. She signed up because she had no other alternative, but due to longstanding pyorrhea, she had lost all of her molars and the few front teeth she had left were loose and in bad condition. She could eat only liquids and soft foods such as soups, chopped and boiled vegetables, pasta, and cereal soaked in milk. She also suffered extreme embarrassment, when she tried to eat in public.

After weeks of attempting to eat this meal service, she finally gave up sometime in October 1980. Because of the drain on her income, she is not able to afford a telephone, and she was not able to furnish her apartment. She has been applying since 1980 for other subsidized apartments and has been told everywhere that she is of low priority, because she already has a subsidized apartment. She is therefore stuck with the mandatory meal program.

I've seen that many of the landlords that have approached this problem claim that a mandatory program is the only viable way of providing meals to senior citizens. That just isn't so. The proliferation of all kinds of voluntary programs all over the country belies their claim. In fact, GAO's own study, which was issued this morning, shows that 500 of the 900 programs surveyed had meal programs, and of the 500, 400 had voluntary programs. Only 100 needed to have mandatory programs to make them economically feasible. Thus GAO's conclusion that meal programs must be mandatory to work, is not supported by its own statistics.

In addition, GAO found that 80 percent of the tenants in mandatory programs are satisfied and would purchase the meal service even if it weren't mandatory. Assuming their finding is correct, and the landlord can rely on a consistent 80-percent participation in the meal program, a voluntary program would then be viable. There would be no reason to require the remaining 20 percent of the population, who by reason of ill-health or poverty cannot use or afford the program, to subsidize the meals of other tenants.

We have an affidavit again attached to my testimony of the project manager of Robert Sharp Towers in Miami Beach, FL, where a voluntary meal program is in place, and is successful. Tenants need sign up no earlier than 10:00 a.m., for a dinner at 6:00 p.m. In order to keep the price to tenants low, non-residents are permitted to participate and are charged a little extra, non-residents pay \$2.50 per meal and residents pay \$2.00.

Another project, Pelham Manor in Toledo, Ohio has found that they could run a voluntary meal program. They offer five evening meals per week and charged as of October 1983, \$29 to \$83 monthly on a sliding scale according to income. Their cost per person per month is \$83, and they subsidize the poorer tenants' meals from the proceeds of their coin-operated laundromats and by renting out space in the building to community agencies.

Furthermore, we have consistently found that the voluntary programs charge less than the mandatory programs. We've done a survey of section 202 projects in Massachusetts, and we found that in Massachusetts, of the 38 projects with 50 tenants or more, seven had voluntary programs and three had mandatory programs. All of the mandatory programs charged the tenants higher prices than the voluntary ones.

I urge this committee, on behalf of my clients, to propose legislation similar to that which is contained in section 106(b), but legislation which would not only prohibit the establishment of mandatory meal programs in the future but would also eliminate existing programs by a date certain.

Thank you.

Chairman GONZALEZ. Thank you very much, Ms. Blumkin. Deeply appreciate that statement.

[Ms. Blumkin's prepared statement, on behalf of the tenants of Soundview Apartments, follows:]

PREPARED STATEMENT OF JOY BLUMKIN

I am a staff attorney with Westchester Legal Services, Inc. which represents 45 tenants at Soundview Apartments in New Rochelle, New York. On behalf of my clients at Soundview Apartments, I would like to urge the passage of a provision in H.R. 1 which would prohibit the conditioning of the rental of any federally subsidized apartment on the purchase of a meal service from a private landlord.

Soundview Apartments was built pursuant to Section 202 of the National Housing Act. Its tenants enjoy rent subsidies pursuant to Section 8 of the United States Housing Act which limit their share of the rents to no more than 30% of their income. As a condition of occupancy at Soundview Apartments, the landlord, with HUD's approval, has demanded that the tenants purchase a meal service. This service consists of a daily dinner at the price of \$120 per month, or approximately \$4 per dinner. Thus, in order to obtain federally subsidized apartments, Soundview tenants are required to pay their private landlord \$120 per month (or \$90 per month for those who meet certain income guidelines) over and above their Section 8 rent.

For various personal and medical reasons, several tenants who are unable or do not wish to participate in the meal plan, have brought suit against their landlord and HUD, seeking relief from the mandatory nature of the plan. The tenants claim that the requirement to purchase the meal service as a condition of leasing their federally subsidized apartments is an illegal tying

arrangement in violation of state and federal antitrust laws, and that it also impermissibly raises their rent beyond the limits set by Section 8. The suit is currently pending in United States District Court in the Southern District of New York. (Johnson v. Soundview, 81 Civ. 4803 (JES)).

The tenants we represent object to the mandatory meal service for a variety of reasons. Numerous tenants can derive no nutritional benefit whatsoever from the meal plan; yet, despite repeated requests on their behalf, prior to commencing a civil action, neither the landlord nor HUD would permit exemptions. (Arundell, Ponti affidavits enclosed herewith).

Idiosyncratic diets of all types are common among the elderly. They suffer from a wide range of medical problems that dictate specific nutritional requirements which cannot be met by institutionalized food. For example, at Soundview diabetic and low salt diets are common, but the meal service does not accommodate for these special needs. (Hirsh affidavit). Also some of the tenants we represent are unable to participate in the meal service for other reasons. Long-standing pyorrhea has caused one tenant to lose her molars and left her remaining teeth in poor condition so that she can only eat soft foods and liquids. (Taddeo affidavits). Another tenant who is suffering from cancer and has an artificial stomach is required to eat a high protein diet and can only eat small amounts at a time. One couple we represent cannot partake of the meal service because the husband works the evening shift as a public school custodian and the meal service is only offered

in the evening. His wife is diabetic and her physician prohibited her from eating the meals served. (Tucker affidavit)

Other tenants do not wish to participate in the meal plan for personal reasons. For example, at Soundview, some find that the food is so unappetizing and of such poor quality that it makes them ill. (Arundell, Mullen and Ponti affidavits enclosed herewith.) They note that the mandatory nature of the plan removes any incentive for the landlord to improve the meals. In addition, meals at Soundview are strictly Kosher. As a result, tenants complain that no milk is served with meat, no pork products are served, and no bread is served during the week-long Passover holiday. One couple at Soundview spends the winter in Florida with their children but was required by the landlord to pay for the meal service throughout the winter. (Harrison affidavit). Tenants also report that it costs them much less money to prepare their own meals than to purchase the meal service. Living on such limited incomes, many of them therefore prefer to have that option. (Brittner's affidavit enclosed herewith)

Many tenants have suffered severe financial hardship by paying \$120 or \$90 per month for meals they cannot eat. For example, in 1980, Mary Arundell, on an income of \$337 per month paid \$120 per month for meals that caused her to gag. Her Section 8 rent was \$53.00. Finally, after protesting the expense, her meal charge was reduced to \$90, still amounting to more than 25% of her income. As a result, she often did not have sufficient funds to properly attend to her medical needs. (Arundell

affidavit enclosed herewith).

Another tenant whose income in 1980 was \$348 monthly, and paid a meal charge of \$90, was unable to afford furniture or a telephone because of the drain on her income caused by the meal charge. (Taddeo affidavits enclosed herewith). She has stopped paying the charge, and pending the litigation in federal court no action has been taken against her or other tenants. She has searched for other subsidized apartments since 1981 to no avail, because her tenancy at Soundview causes her to be of low priority on the lengthy waiting lists at other buildings.

As a result of these problems, dissatisfied tenants have brought suit in federal courts in New York, Ohio, Colorado, Minnesota, New Jersey and California against their landlords and HUD, seeking relief from the mandatory nature of the meal plan.

It should be noted that the tenants who brought the cases mentioned above sought only to be relieved from the mandatory nature of the meal plan. They did not challenge the landlord's right to offer an optional meal service. Significantly, despite landlords' claims to the contrary, an optional meal service is economically viable. If there is a need for such a service and if the meals served are of high quality, then tenants will participate.

As a practical matter, the existence of optional meal plans in Section 202 projects demonstrates their feasibility. In a survey we conducted of Section 202 projects in Massachusetts, we found that of the 38 projects, three had mandatory meal plans,

but seven offered an optional meal service. (Norman affirmation enclosed herewith). The prices of the mandatory meal plans were consistently higher than those of the optional services.

When landlords provide optional meal plans, they have an incentive to keep the price low and the quality high in order to compete with other food providers. Therefore such plans are necessarily more likely to be of substantial benefit to tenants.

An excellent example of an optional meal service that works is the one at Robert Sharp Towers in North Miami Beach. (McDonald affidavit). The tenants have themselves organized, funded and operated an optional meal service. They charge \$2.00 a day for one hot meal a day. Although they receive no subsidy, they have been able to break even. In addition, tenants need only sign up for the meal by 10:00 A.M. of that day.

Nutrition sites which offer meals to elderly persons in conformity with federal specifications pursuant to the Older Americans Act also provide examples of optional meal plans that can work. As evidenced by the enclosed affidavit of Eileen Goodman dated September 22, 1981, the cost of commercially catered meals delivered to nutrition sites for the elderly in Westchester County under the auspices of the Westchester County Office for the Aging ranges from \$2.00 to \$2.62 per meal, which is considerably less than the \$120.00 per month plan at Soundview. The caterers need only be informed of the number of meals one day prior to their service, and the site can contract for as few as 50 meals per day.

It should be noted that there is no statutory restriction on the price that the landlord may charge for the meal service. Therefore it is not surprising that the price of the mandatory meal service at Soundview is not competitive with nutrition site services as outlined in the Goodman affidavit nor with the purchase of food at local supermarkets. One couple at Soundview kept records of their supermarket purchases and reported that it costs them far less money to prepare their own food than to purchase the meal service. A copy of the Britner affidavit dated December 14, 1981, is enclosed for your information.

Neither does the price of the mandatory meal service at Soundview compare favorably with the federal "thrifty food plan" used in the Food Stamp Program. The thrifty food plan represents the monthly cost of a diet designed to provide the basic nutritional requirements for a family. For example, the thrifty food plan for a household of one is \$79.00. It is significant that many tenants in Soundview are food stamp recipients. Obviously the federal government has determined that their income alone is not sufficient, without food stamps, to purchase foodstuffs at the thrifty food plan rate. It is patently unfair to compel a single elderly person who receives food stamps to pay \$120.00 for dinners alone in order to receive federally subsidized housing, when the federal government admits he can only afford to spend \$79.00 a month on food. The inequity is further aggravated by the fact that the \$79.00 is made up of a combination of cash income and food stamps, and those food stamps cannot be used

to pay for the meal service.

In light of the foregoing, I urge the Housing and Community Development Subcommittee to propose legislation which will not only prohibit the implementation of mandatory meal plans in the future as Section 106(b) of H.R. 1 does, but also will immediately eliminate those mandatory plans already in place. Section 106(b) as proposed would require the phasing out of such plans, but sets no time limit for this process, and therefore would permit landlords with existing plans to drag their feet at the expense of poor elderly tenants.

Thank you for giving me this opportunity to present my clients' views on your proposed legislation.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

.....X:	
JEAN JOHNSON, SEYMOUR JOHNSON,	=
MARY ARUNDELL, ANNE HIRSCH and	=
JOSEPH TIEGER, individually and on	=
behalf of all other persons similarly situated,	=
	=
Plaintiffs,	=
	=
-against-	=
	=
SOUNDVIEW APARTMENTS HOUSING	=
DEVELOPMENT FUND CO., INC., and	=
UNITED HOME FOR AGED HEBREWS and	=
GEORGE M. FRIEDLAND, HERBERT PLATZNER	=
SAUNDERS T. PREISS, and CHARLES H. SINGER,	=
individually and as officers of defendants	=
Soundview Apartments Housing Development Fund	=
Co., Inc., and United Home for Aged Hebrews,	=
	=
Defendants.	=
.....X:	

AFFIDAVIT

STATE OF NEW YORK)SS:
COUNTY OF WESTCHESTER)

MARY ARUNDELL, being duly sworn, now deposes and says that:

1. I am 85, have never before been institutionalized and do not consider myself institutionalized now.
2. I have a digestive system weakened from antibiotics given due to a bout with pneumonia. This prevents me from eating large meals, and I must therefore eat more frequently.
3. My husband, when alive, was a chef.
4. I prefer to cook for myself or to eat at the house or apartment of a friend, rather than eat institutionally prepared meals.
5. I first heard of the "Meal Charge" around June, 1980, when I investigated the availability of apartments at Soundview.

6. I asked, before signing my apartment lease, whether the "Meal Service" was mandatory; I was given the impression it was not required but was available at the tenant's option.

7. I moved into my apartment at Soundview Apartments in or about the end of July, 1980. At that time the "Meal Service" was not available.

8. On or about August 18, 1980, when the management of Soundview Apartments began serving the "Meal Service" and demanded payment of the "Meal Charge," I asked the Manager, Miss Curran, to excuse me from the "Meal Charge" obligation, but Miss Curran refused.

9. I immediately found I had trouble eating the "Meal Service" food; it disagreed with my stomach and I frequently gagged. Nevertheless, I usually tried to eat some of the evening meal, because I could not afford both to pay for the "Meal Service" and to buy and cook my own suppers.

10. My income consists of social security benefits of \$326.00 per month, and interest on savings of about \$11.00 per month.

11. My rent is \$53.00 per month; my telephone costs about \$15.00 per month; my utilities cost about \$16.00 per month.

12. At first my "Meal Charge" was set at \$120.00 per month. It was not until I protested at the expense that Miss Curran reduced it to \$90.00. I have since come to understand that under Soundview's agreement with HUD, it should have been \$90.00 from the very beginning.

13. Beginning on or about June 30, 1981, for a period of eleven days I was

hospitalized due to congestive heart failure.

14. Upon my return I was very weak, and felt very little like eating. Even to walk from my apartment to the elevator and then to the dining area, and back, was more than I could face. I could only eat a few simple dishes, such as bread-and-milk, or a little oatmeal.

15. I requested relief from the "Meal Charge" since I would not eat the "Meal Service" food and the expense of it left me very little money to pay for the frequent, small meals I must eat, and for clothing, medical expenses and travel to see my doctor. I could not even afford to see my doctor as often as I needed to. Miss Curran denied this request.

16. At the time we plaintiffs filed our Order to Show Cause for a preliminary injunction, I ceased paying the "Meal Charge," as it was literally rendering me destitute. I have not paid it since.

WHEREFORE, I respectfully request that the defendants' instant motion to dismiss be denied, and plaintiffs' cross-motion for summary judgment be granted.

Mary Arundell
MARY ARUNDELL

Subscribed and sworn to before
me this 15th day of January

[Signature]
Notary Public

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4-23106
Queens County, New York
JAN 15 1967

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON, MARY ARUNDELL, ANNE HIRSCH and JOSEPH TIEGER, individually and on behalf of all other persons similarly situated, =

Plaintiffs, =

-against-

AFFIDAVIT

SOUNDVIEW APARTMENTS HOUSING DEVELOPMENT FUND CO., INC., and UNITED HOME FOR AGED HEBREWS, and GEORGE M. FRIEDLAND, HERBERT PLATZNER, SAUNDERS T. PREISS, and CHARLES H. SINGER, individually and as officers of defendants Soundview Apartments Housing Development Fund Co., Inc., and United Home for Aged Hebrews, =

Defendants. =

STATE OF NEW YORK
COUNTY OF WESTCHESTER

Angelo Ponti, being duly sworn, deposes and says that:

1. I am 77 years old and I reside at Soundview Apartments, 40 Willow Drive, New Rochelle, New York, Apartment 6M.
2. I was the first tenant to move into Soundview, on July 15, 1980. In order to move into Soundview, I was required to obtain a physical examination. I went to Dr. Weinraub on Lockwood Avenue, New Rochelle, for my exam.
3. During my examination by Dr. Weinraub, I discussed some long-standing digestive problems I have had. Dr. Weinraub recommended that I not eat late in the day.
4. When I signed my lease at Soundview I was told "to get the apartment you have to pay for the meal plan". To get the apartment I signed the lease, agreeing to pay for the meal plan.

5. The meal plan was not operational for more than a month after I moved in. When it began, I tried eating the meals, since I was paying for them anyway.

6. Eating a heavy meal late in the day made me sick. I would be awake all night, taking Bromo-Seltzer.

7. I have not eaten in the Soundview dining hall since October, 1980. I eat my main meal around 1:00 P.M. In the evening I take only a cup of tea, or broth. If they served filet mignon in the evening, I couldn't eat it, because my digestion will not take it. I can't eat beef at all; I boil my chicken, Soundview roasts it. Once in a while I broil a little lamb, but this is the richest food I can eat, and I eat it only in mid-day.

8. When I stopped trying to eat in the dining hall I told Miss Curran, the Manager, that I wasn't eating the "Meal Service". She said, "whether or not you eat, you have to pay".

9. I have paid \$120 per month for the "Meal Service" since it was first provided in August, 1980. My rent is \$45 per month and my utilities cost \$18 to \$25 per month.

10. My monthly income is slightly under \$300 per month in Social Security and interest on a bank account. According to Miss Curran's own records, my annual income is \$3522.00.

11. When my Social Security went up last July and my rent went up accordingly, Miss Curran said she would see about getting me a break on the meal plan, as my income was so low. I did not follow up on it because I did not want to ask any favors. I continued to pay \$120 as I had done each month previously.

12. I have now been shown the letter, dated July 2, 1980, from Alexander Nacleris of H.U.D. to Saunders T. Preiss of United Home granting permission for Soundview

to impose a "Meal Charge" of no more than \$120 for tenants with over \$4500 annual income and no more than \$90 for tenants with less than \$4500.

13. Because of the \$120 charge I have been paying for meals, I had to have my telephone removed to reduce my expenses. I need new shoes and have very little in the way of furniture, because I have been drawing down my bank account regularly just to meet expenses.

14. I now intend to pay only \$90 for the "Meal Charge" and to get my telephone reinstalled.

15. Although the management has known since last October that I have not been eating in the dining hall, and that my income is less than \$300 per month, and that I have been paying \$120 each month for the "Meal Charge", neither Miss Curran nor anyone else from the management has ever inquired whether I was getting adequate nutrition on my own, or how I was managing financially.



 ANGELO PONTI

Sworn to before me this
 7th day of October, 1981.



 NOTARY PUBLIC

STEPHEN S. NORMAN
 Notary Public, State of New York
 No. 4685194
 Qualified in Westchester County
 Term Expires March 30, 1982

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

.....x.
JEAN JOHNSON, SEYMOUR JOHNSON, =
MARY ARUNDELL, ANNE HIRSCH and =
JOSEPH TIEGER, individually and on =
behalf of all other persons similarly situated, =

Plaintiffs, =

-against- =

AFFIDAVIT

SOUNDVIEW APARTMENTS HOUSING =
DEVELOPMENT FUND CO., INC., and =
UNITED HOME FOR AGED HEBREWS and =
GEORGE M. FRIEDLAND, HERBERT PLATZNER =
SAUNDERS T. PREISS, and CHARLES H. SINGER, =
individually and as officers of defendants =
Soundview Apartments Housing Development Fund =
Co., Inc., and United Home for Aged Hebrews, =

Defendants. =

.....x.
STATE OF NEW YORK)
COUNTY OF WESTCHESTER)SS.:

Plaintiff Anne Hirsch, being duly sworn, now deposes and says:

1. I am 76 years old and I had always cooked for myself before moving to Soundview Apartments. For some time I have suffered from high cholesterol, high blood pressure, and hiatal hernia.

2. When I first visited Soundview, and until I actually signed my lease, I was under the impression that purchase of meals there would be voluntary.

3. At the interview in July, 1980, when I read and signed my lease, I realized the significance of paragraph 22, but felt

I would be happy not to have to cook suppers for myself for a change, and that with my subsidized rent I could afford the expense. However, the meals were not then being served.

4. When the first "Meal Service" meal was served on or about August 18, 1980, I complained to the Manager, Miss Curran, that the meal was "all starch."

5. Miss Curran replied, "Give us time."

6. Later, when it became obvious to me that the meals were not improving and were not worth what I was paying for them, I wrote Miss Curran a note saying, "I will not eat this food and I will not pay for it."

7. Miss Curran, in reply, told me that, "You must pay for it."

8. After attempting to eat the food served as the "Meal Service" and becoming nauseated on several occasions, I gave up trying to eat the "Meal Service" meals at Soundview.

9. Although Miss Curran knew very well that I was not eating the "Meal Service" meal, and that I continued to pay for it for many months when I was not eating it, neither Miss Curran nor any other person associated with the Soundview management ever expressed any concern for my health or nutrition, or inquired how I was managing to feed myself while paying for the meals I could not eat.

10. My income consists of \$248.60 per month Social Security and \$99.31 per month Supplemental Security Income. My rent is \$51.00 per month. My utilities are about \$25.00 per month and my telephone costs about \$20.00 per month.

11. After months of protest on my part, Miss Curran reduced my "Meal Charge" from \$120.00 to \$90.00, but asked me not to inform other tenants of the reduction. I now understand my "Meal Charge" should have been \$90.00 per month all along, according to Soundview's agreement with H.U.D.

12. My physician has put me on a diet emphasizing veal, kosher chicken, and fish, and ruling out dairy products.

13. Because of my low income I could not afford both to pay the "Meal Charge" and to buy at the local stores adequate supplies of food that met my dietary needs. The foods I am supposed to eat are rather expensive, and I could therefore eat very little of them.

14. I was also unable, while paying the "Meal Charge," to afford any new clothing or shoes. My shoes must be made to order because of the arthritis in my feet.

15. In August, 1981, therefore, when we plaintiffs filed our Order To Show Cause for a preliminary injunction, I ceased paying the "Meal Charge" and have not paid it since.

WHEREFORE, I respectfully request that defendants' motions to dismiss be denied and that plaintiffs' cross-motion for summary judgment be granted.


ANNE HIRSCH

Subscribed and sworn to before me this 16 day of January, 1982


NOTARY PUBLIC

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Rochester County
Term Expires March 30, 1982

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,
MARY ARUNDELL, ANNE HIRSCH and
JOSEPH TIEGER, individually and on
behalf of all other persons similarly
situated,

Plaintiffs,

- against -

SOUNDVIEW APARTMENTS HOUSING DEVELOPMENT
FUND CO. INC., and
UNITED HOME FOR AGED HEBREWS, and
GEORGE M. FRIEDLAND, HERBERT PLATZNER,
SAUNDERS I. PREISS, and CHARLES H. SINGER,
individually and as officers of defendants
Soundview Apartments Housing Development
Fund Co., Inc., and United Home for Aged
Hebrews,

Defendants.

AFFIDAVIT IN
SUPPORT OF
MOTION FOR
PRELIMINARY
INJUNCTION

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss.:

YOLANDA TADDEO, being duly sworn, deposes and says:

1. I am a resident of Soundview Apartments, Apartment #5R, and I make this affidavit in support of plaintiffs' motion for an injunction restraining defendants from enforcing paragraph "22" of the Soundview Apartments Lease, and for class certification.

2. I moved into my apartment at Soundview on or about October 1, 1980.

3. Prior to the apartment becoming available at Soundview, I had been on waiting lists for subsidized housing in New York City for eight years without an apartment opening up.

4. I was desperate to move from my former apartment in New York City because I had been mugged there, and the building was in bad condition, but I could not move to an unsubsidized apartment because my income is very low. I receive monthly Social Security benefits of \$232.20 and Supplemental Security Income of \$115.71, and Food Stamps of \$34.00.

5. Upon moving into Soundview Apartments, I undertook to eat the evening "Meal Service" for two weeks.

6. Due to long-standing pyorrhea, I have lost all of my molars and the few front teeth I have left are loose and in bad condition. I can eat only liquids and soft foods such as soups, chopped and boiled vegetables, pasta, and cereal soaked in milk.

7. I also suffer extreme embarrassment when I try to eat in public.

8. After two weeks of attempting to eat the "Meal Service" at Soundview I gave up, and since some time in October, 1980, I have always eaten supper in my apartment, of food I have prepared and cooked myself.

9. Examples of food I could not eat that were served under the "Meal Service" are, tough chicken on the bone, tough roast beef (I chop and boil beef when I eat it), corn on the cob, and salads.

10. Because my income is so low, I believe it is an extreme and irreparable financial hardship for me to pay for the "Meal Service", since I cannot eat it.

11. In October, 1980, I paid \$120.00 for the "Meal Service". Miss Curran, the Manager, then reduced my "Meal Charge" to \$90.00 per month, but told me, "Keep it [the reduction] under your hat."

WHEREFORE, deponent respectfully requests that plaintiffs' prayer for class certification and for a preliminary injunction be granted.

Yolanda Taddeo
YOLANDA TADDEO
✓

Subscribed and sworn to before me this 29 th day of July, 1981.

Richard Thomas
NOTARY PUBLIC
Resides in Winston-Salem County, N.C.
Registration Number: 4025147
My term expires March 2, 1982.

3. Because my income is so low (as my previous affidavit relates, I am a recipient of Supplemental Security Income) I have been trying to find another subsidized apartment house that does not have a mandatory meal plan.

4. One of the places I applied to was St. Margaret's House in New York City, which upon information and belief is also a "Section 8"-subsidized apartment house.

5. In response to my application for an apartment at St. Margaret's House, I received a letter dated September 23, 1981, a copy of which is annexed hereto as Exhibit "1," telling me that because I am at present a resident of "government assisted" housing, my application has been given a "low priority."

6. I have also applied to "Huguenot Housing," upon information and belief another Section 8-subsidized apartment house in New Rochelle, and have been orally informed that in all probability my application there will receive the same "low priority" treatment because I already have subsidized housing.

7. Since I cannot afford to live at Soundview while paying a mandatory "Meal Charge," and I cannot get into other Section 8 housing because I am already in Section 8 housing, my need for the relief requested in the plaintiffs' instant motions for a preliminary injunction and for class certification is desperate.

8. I understand that the named plaintiffs in this action are withholding their "Meal Charge" payments and have not been evicted. Even though I do not eat the meals I am continuing to pay \$90 per month, because I do not feel that I can take the chance of being evicted.

9. I have received a letter signed "The Management," (a copy of which is annexed hereto as Exhibit "2") one copy of which, upon information and belief,

was placed in each Soundview tenant's mailbox on October 1, 1981. In the letter's terms, I cannot afford to chance "undesirable consequences."

WHEREFORE, I respectfully request that the plaintiffs' motions be granted in all respects.

Yolanda Taddeo

YOLANDA TADDEO

Sworn to before me this

23rd day of October, 1981.

Stephen Norman

NOTARY PUBLIC

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4665194
Qualified in Westchester County
Term Expires March 30, 1982

1158

St.
Margaret's
House

A Congregate Housing Facility for the Elderly

Nancy B. McCarrigle
Administrator

Executive Office
74 Trinity Place, New York, NY 10006
Tel. (212) 285 0826

New Address and Phone Number:

49 Fulton Street, New York, N. Y. 10038
212 766-8122

Date: September 23, 1981

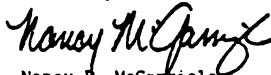
Ms. Yolanda A. Taddeo

Dear Applicant:

Your application for St. Margaret's House has been given
a low priority since you already live in government assisted
or public housing.

Thank you for your interest.

Sincerely,



Nancy B. McCarrigle
Administrator

NBM:ep



Sponsored by Trinity Church in the City of New York

October 1, 1981

Dear Tenant:

The Soundview Apartments management wishes to advise you of its position concerning certain matters expressed to you in a letter from Westchester Legal Services, Inc. dated September 14, 1981. We do not want anyone to act under any false impressions which could ultimately result in undesirable consequences.

In their letter, plaintiffs' attorneys state that their object in bringing an action against Soundview is to change the present meal service from "mandatory" to "optional". While, under ideal conditions, we obviously wish that your meal service could be "optional", unfortunately the economics of the meal service will not permit this. We are sure most of you probably realize that the costs of the meal service now provided to you is greater than the amount that you pay for this service. Therefore, United Home, through charitable contributions, subsidizes these meals in the approximate amount of \$4,600 per month. Under an optional meal service plan, if only a small percentage of your fellow tenants elected not to participate, management would not be able to increase its subsidy for the meals. Management's only choice in that event would be to raise the cost to those of you who continue to participate in the meal program. However, we believe that if we were to do this, the cost might become so high that many of your fellow tenants would not be able to afford to remain in the plan, and would be forced to withdraw their participation. The cost of the meals would then increase further. In short, if the meal plan is not mandatory, we will not be able to continue to bring this service to you at the current subsidized cost, and ultimately we will not be able to provide any meal service whatsoever.

It is for this reason, among others, that we are opposing the lawsuit and will continue to do so unless some reasonable accommodation can be arrived at which will permit us to continue to bring to you the mandatory meal service at a reasonable cost.

OCT 8 1981

Finally, plaintiffs' attorneys' letter states that management has taken no action against those tenants who have withheld payment for their meal charge for the months of August and September. While that is true, we want all tenants to know that management has in no way waived any rights that it has against those tenants, and fully intends to require all tenants to abide by their obligations. If we do not do this, we will not be able to bring the meal service to you at its present cost and, as stated above, ultimately we will not be able to bring the meal service to you at all.

We will continue to keep you advised as important matters occur.

The Management

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
 JEAN JOHNSON, SEYMOUR JOHNSON,
 MARY ARUNDELL, ANNE HIRSCH and
 JOSEPH TIEGER, individually and on
 behalf of all other persons similarly
 situated,
 Plaintiffs = AFFIDAVIT

-against- =

SOUNDVIEW APARTMENTS HOUSING DEVELOPMENT
 FUND CO. INC., and =
 UNITED HOME FOR AGED HEBREWS, and =
 GEORGE M. FRIEDLAND, HERBERT PLATZNER,
 SAUNDERS T. PREISS, and CHARLES H. SINGER,
 individually and as officers of defendants =
 Soundview Apartment Housing Development Fund Co., =
 Inc., and United Home for Aged Hebrews, =
 Defendants. =
 -----x

COUNTY OF WESTCHESTER)
 STATE OF NEW YORK) SS.:

GEORGE TUCKER and DOROTHY CONSTANCE TUCKER, being duly sworn,
 depose and say that:

1. We have resided at Soundview Apartments, Apartment 8K,
 since in or about July, 1980.
2. George Tucker is 41 years old. Dorothy Constance Tucker
 is 52. She is blind and suffers from diabetes, and she receives
 Social Security disability payments of \$212.80 per month, by
 virtue of which as a couple we are qualified for Soundview's
 "Section 8" housing subsidy program.
3. We pay \$120 per month apiece for the "Meal Service."
4. Mr. Tucker is employed as a custodian for the Mamaroneck
 Public Schools; when school is in session he works from 3:00 PM
 to 11:45 PM, and therefor is prevented from eating the "Meal

Service" provided at Soundview.

5. When the "Meal Service" was first made available on or about August 18, 1980, Mrs. Tucker took her evening meal in the dining hall; she continued this practice for approximately four months.

6. After four months of eating the "Meal Service," Mrs. Tucker had gained weight to an excessive degree and was dangerously obese.

7. At that point Mrs. Tucker's doctor enjoined her from eating the "Meal Service" meals; since then she has prepared her own evening meal without starches, sweets and fats, concentrating on salads, liver and fish, and she has lost weight.

8. At the time Mrs. Tucker's doctor forbid her to eat the "Meal Service" meals, she brought a list of permissible items for her consumption to the Soundview "Meal Service" staff, but was told it was no use giving it to them as they could not provide her with an individually tailored diet.

9. About a month after she stopped eating the "Meal Service," Mrs. Tucker spoke to Miss Curran, the manager of Soundview Apartment, and complained of the expense for the meals the couple was not eating. Miss Curran replied, "Dorothy,

I can not help how your husband gets paid at the school, but you have to pay [for the meals] until we get things straightened out. Others are also paying and not eating."

10. Mr. Tucker has protested the mandatory "Meal Charge" to Miss Curran almost every time he pays the rent, on the ground that his job prevents him from benefitting from the meals. Miss Curran has refused to exempt him from "Meal Service."

11. Because of the drain on the Tuckers' income, Mr. Tucker cannot afford to purchase warm shirts, boots and other items of clothing that he needs for his work as the weather turns cold, and Mrs. Tucker has difficulty paying her medical and hospital bills, because together both are paying \$240 per month for meals they cannot eat.

WHEREFORE, deponents respectfully request that plaintiffs' motion for class certification and for a preliminary injunction be granted.

George Tucker

GEORGE TUCKER

Subscribed and Sworn before me this 21st day of September 1981, 1981.

Stephen S. Norman

NOTARY PUBLIC STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194

Dorothy Constance Tucker

DOROTHY CONSTANCE TUCKER

Qualified in Westchester County
Term Expires March 30, 1982
Subscribed and Sworn before me this 21st day of September 1981, 1981.

Stephen S. Norman

NOTARY PUBLIC

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1982

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,
MARY ARUNDELL, ANNE HIRSCH and
JOSEPH TIEGER, individually and on
behalf of all other persons similarly situated,

Plaintiffs,

-against-

SOUNDVIEW APARTMENTS HOUSING
DEVELOPMENT FUND CO., INC., and
UNITED HOME FOR AGED HEBREWS and
GEORGE M. FRIEDLAND, HERBERT PLATZNER
SAUNDERS T. PREISS, and CHARLES H. SINGER,
individually and as officers of defendants
Soundview Apartments Housing Development Fund
Co., Inc., and United Home for Aged Hebrews,

Defendants.

AFFIDAVIT

STATE OF NEW YORK)ss.
COUNTY OF WESTCHESTER)

HELEN MULLEN being duly sworn, now deposes and says:

1. I have resided at Soundview Apartments, Apartment 85, since on or about August 28, 1980.
2. I was forced to move from my previous apartment because the landlord would not renew my lease. This apartment at Soundview was the only apartment available I could afford, and though I had heard about the "Meal Plan," I had no choice but to rent the apartment.
3. At the time I applied for the apartment I objected to the compulsory nature of the meal plan and Mrs. Curran said "we're working on it."
4. I paid \$120 a month for approximately six months for the "Meal Plan" before

obtaining the \$90 a month rate.

5. I stopped eating my meals there regularly as of the end of 1981 because I had bad gas pains after eating the meals. I consulted my doctor who advised me to take Mylanta, an antacid, to combat the gas pains. Though I had been taking one teaspoon of this medicine, he suggested I increase the amount to two tablespoons before and after each meal. I followed his instructions but found that whenever I eat one of the meals I have pains all during the night.

6. I resent being forced to eat whatever they place before me. In the past I have always been free to choose what foods I wanted to eat and at my age I feel I should be free to make that choice.

7. It is a hardship for me to pay for meals which make me sick. Because of my limited income, which consists of \$352.10 in Social Security benefits, I cannot afford to both pay for the Meal ServiceTM plan and also purchase adequate food on my own. I will therefore stop paying for the meals as of July 1, 1982 so I can get adequate nutrition.

WHEREFORE, deponent respectfully requests that the court grant plaintiffs prayers for relief.

Helen Mullen
HELEN MULLEN

Sworn to before me this

28th day of June, 1982.

Stephen S. Norman
NOTARY PUBLIC

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1987

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,	=	
MARY ARUNDELL, ANNE HIRSCH and	=	
JOSEPH TIEGER, individually and on	=	
behalf of all other persons similarly situated,	=	<u>AFFIDAVIT</u>
Plaintiffs,	=	
-against-	=	
SOUNDVIEW APARTMENTS HOUSING	=	
DEVELOPMENT FUND CO., INC., and	=	
UNITED HOME FOR AGED HEBREWS and	=	
GEORGE M. FRIEDLAND, HERBERT PLATZNER	=	
SAUNDERS T. PREISS, and CHARLES H. SINGER,	=	
individually and as officers of defendants	=	
Soundview Apartments Housing Development Fund	=	
Co., Inc., and United Home for Aged Hebrews,	=	
Defendants.	=	

FRANCES HARRISON and ARTHUR HARRISON, being duly sworn, now
depose and say that:

1. Frances Harrison, age 57 and her husband, Arthur Harrison, age 59
reside at 164 Church Street, Apartment 5J, New Rochelle, New York. Mr. Harrison,
due to a severe heart ailment, is medically unable to work and receives Social
Security Disability and Veterans Disability Compensation. For health reasons,
they spend winters in Lake Worth, Florida. They make this affidavit on behalf
of Mrs. Harrison's parents, Harry Werner, age 91, and Jennie Werner, age
88, in support of plaintiffs' motions for a preliminary injunction and for
class certification.

2. Harry and Jennie Werner reside at Soundview Apartments, apartment 7Q.
They have a total monthly income of \$858.06 from Social Security and a pension.

3. Mrs. Werner has a severe arthritic condition; Mr. Werner has had chronic bronchitis for about ten years. Nevertheless they take care of most of their own needs and enjoy living independently. Mrs. Harrison stops in daily to spend a couple of hours and to ensure that her parents have taken their medication.

4. Due to the Werners' health problems, they have wintered in Florida for the last twelve years or so; in the last few years they have stayed with the Harrisons in Lake Wóρθ, so that the Harrisons could supervise their medication. The Harrisons believe that at their present age and in their present condition, the Werners could not survive a winter in a northern climate.

5. In June or July of 1980, the Harrisons accompanied the Werners to Sound-view Apartments to sign a lease. Miss Curran, the Manager, was present to represent the landlords. The Harrisons told Miss Curran about their plans to have the Werners spend six months of the winter in Florida with them, and asked Miss Curran whether some exception to the mandatory lease requirement of a "Meal Charge" of \$240 per month for the couple could be arranged.

6. Miss Curran told the Harrisons, "I'm sure some arrangement can be made," and, "it doesn't seem fair to me, either."

7. About two weeks after that interview, Miss Curran told the Harrisons that she had had a conference with her superiors and that she could not do anything about waiving the meal charge while the Werners were away for the winter.

8. Mr. Harrison then had a meeting with defendant Charles Singer, with the same result.

9. At the lease signing, Mr. Harrison also had asked Miss Curran how the management could justify charging \$4.00 per meal, given that the meals are produced in a kitchen and with a staff already engaged in producing identical meals for United Home residents. Miss Curran admitted that the expense of the meals did not actually

amount to \$4.00 per meal but asserted that the management would use the excess income to entertain the tenants.

10. During the winter of 1980-1981, the Werners spent six months with the Harrisons in Lake Worth, Florida. They paid their rent at Soundview and paid in addition \$240 per month for the "Meal Charge." Added to their usual living expenses, the payment of the "Meal Charge" depleted the Werners' meager savings account.

11. On December 22, 1980, the Harrisons wrote to Dr. Sidney Schwartz, upon information and belief then the Area Director of the United States Department of Housing and Urban Development Assisted Housing Management Branch for the New York area, requesting relief from the "Meal Charge" on behalf of the Werners. They received a negative response from one Donald J. Foy dated February 11, 1981. Copies of these letters are annexed hereto as Exhibits "1" and "2," respectively.

12. The Werners now plan to leave Soundview for Florida on or about November 18, 1981, in the company of the Harrisons. Having no savings left, they cannot afford to pay the "Meal Charge" this year while they are away.

WHEREFORE, deponents respectfully request that this Court grant the plaintiffs' requests for classwide preliminary injunctive relief.

Frances Harrison
FRANCES HARRISON

Subscribed and sworn to before me this

17th day of November, 1981.

Stephen S. Norman
NOTARY PUBLIC

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1982

Arthur Harrison
ARTHUR HARRISON

Subscribed and sworn to before me this

17th day of November, 1981.

Stephen S. Norman

STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1982

Mr. & Mrs. A. Harrison
3810 Poinciana Dr. #106
Lake Worth, Fla. 33463

December 22, 1980

Dr. Sidney Schwartz
Office of H. U. D.
26 Federal Plaza
New York, N. Y. 7'

Dear Dr. Schwartz,

We were referred to you by Mrs. Kaldice of the N. Y. area office of Housing & Urban Development. Upon hearing our situation, she told me you are in the strongest position to help us out of our dilemma. She promised to get in touch with you and no doubt she has.

My parents, Mr. & Mrs. Harry Werner live at 40 Willow Drive, New Rochelle, N. Y. 10804 Apartment 7Q. A Low Savin Residence. Associated with the United Home for the Hebrew Aged. They are now with us in Florida. They will be here for six months. Being quite old, we must get them out of the raging winter, which can surely kill them.

When my parents first moved into the Low, Savin Residence, my Husband and I explained to Ms. Curran that the folks would be away for six months. How do we work out the non-payment of the dinner meals for that period? Since a situation of this sort never came up before, she really did not have an answer. She expressed the feeling that certainly some accommodation could and would be right, we should not have to pay for Dinner and Dinner Service if one is not there to use them for such a long time.

We talked to Mr. Singer, the administrator of the Project to have the \$240.00 per month dinner bill waived, since Ms. Curran was unable to work it out but also to no avail. As I explained above, my parents are quite old, live on Social Security which is not all that much. My Father retired almost 30 years ago. As you know it is difficult enough in these trying times to have the things we need. What with Medical bills & drug bills common to all people that age and to spend \$240.00 per month without using the service seems unfair & very difficult for two old hard working people to understand.

We would all be more than grateful if you would use your Good Office's to help us.

If the food bill can be waived, will a refund of past payments be made?
Can they be used for future months til the pre-payment is used up?

Enclosed is a self addressed envelope for your convenience. An early reply would be appreciated. Thank you.

Respectfully

1

1165



REGION II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NEW YORK AREA OFFICE
26 FEDERAL PLAZA
NEW YORK, NEW YORK 10007
February 11, 1981

IN REPLY REFER TO
2.3HML (Sugai)
Phone 264-5280

Mr. & Mrs. A. Harrison
3810 Poinciana Dr. #106
Lake Worth, Fla. 33463

Dear Mrs. Harrison:

Subject: Project No. 012-EH002-MAH-18 / Hebrew Home for the Aged

This is in response to your letter of December 22, 1980 with reference to the captioned project.

The questions you raise regarding non-payment of dinner meals for six months has been reviewed and accordingly disapproved.

Please be advised that the provision of one meal per day is a condition of occupancy and cannot be waived in the absence of the tenant.

Sincerely,

Donald J. Boy
Chief
Multifamily Branch

EXHIBIT '2'

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,	=
MARY ARUNDELL, ANNE HIRSCH and	=
JOSEPH TIEGER, individually and on	=
behalf of all other persons similarly situated,	=
Plaintiffs,	=
-against-	= <u>AFFIDAVIT</u>
SOUNDVIEW APARTMENTS HOUSING	=
DEVELOPMENT FUND CO., INC., and	=
UNITED HOME FOR AGED HEBREWS and	=
GEORGE M. FRIEDLAND, HERBERT PLATZNER	=
SAUNDERS T. PREISS, and CHARLES H. SINGER,	=
individually and as officers of defendants	=
Soundview Apartments Housing Development Fund	=
Co., Inc., and United Home for Aged Hebrews,	=
Defendants.	=

STATE OF NEW YORK)
COUNTY OF WESTCHESTER)SS.:

Richard and Alida Brittner, being duly sworn, now depose and say:

1. We reside at Soundview Apartments, Apartment 9F.
2. Richard Brittner is 73 years old; Alida is 69.
3. We applied for an apartment at Soundview Apartments in or about May, 1980. At an application interview we asked whether the "Meal Service" was compulsory. Miss Curran informed us, "To get the apartment you have to take the meals." At that time Soundview had not yet been opened, and figuring the meals would be at least a reasonable value for the money, and being strongly attracted by the subsidized apartments, we accepted the "Meal Service" as necessary to getting the apartment.

4. We moved in to Soundview on or about July 21, 1980.

5. The "Meal Service" was first served on or about August 18, 1980.

From the beginning we found much of the food either unappetizing or not to our taste, but we were willing to give the management time to improve it.

6. However, the quality of the "Meal Service" meals has declined, if anything. We continue to go down to look at the food most evenings, since we have been paying for it, but we seldom eat it. In a recent span of 37 days, we ate only 8 meals served. The other evening we went back to our apartment and cooked our supper.

7. Because our combined income is only about \$800 per month in Social Security, pension, and interest, it is a hardship to both pay \$240 per month for meals we usually cannot eat, and to feed ourselves with food purchased from the A & P. We know we can cook for ourselves more economically than by using the "Meal Service," even if we could eat the "Meal Service" food. In October, 1981, we had become so upset with the quality of the "Meal Service" food that we told Miss Curran that we would neither eat it nor pay for it, and for 14 days we boycotted the dining hall. During that time we spent only \$89 for all our purchases at the A & P, including food and paper goods.

8. However we continued to pay for the "Meal Service" because we were afraid of being evicted if we did not comply with paragraph "22" of our lease, and because we consulted with the plaintiffs' attorney in this action and were told that a decision on plaintiffs' motion for a preliminary injunction might soon give us relief from the lease clause.

9. We have now been informed by plaintiffs' counsel that it may be several more months before any court decision clarifying our rights can be expected; it is extremely burdensome for us to continue paying \$240 per month for the "Meal Service." We understand that at least eight other tenants known to plaintiffs' counsel have stopped paying for the meals and no longer patronize the dining hall, and we have decided to take the same course of action effective January 1, 1982.

WHEREFORE, deponents respectfully request that the Court grant plaintiffs prayers for preliminary and permanent relief.

Richard F. Brittner

RICHARD BRITTNER

Subscribed and sworn to before me this
14th day of ~~December~~ ^{January}, 1981.

Stephen S. Norman

NOTARY PUBLIC STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1982

Alida Brittner

ALIDA BRITTNER

subscribed and sworn to before me this
14th day of ~~December~~ ^{January}, 1981.

Stephen S. Norman

NOTARY PUBLIC STEPHEN S. NORMAN
Notary Public, State of New York
No. 4685194
Qualified in Westchester County
Term Expires March 30, 1982

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,
ANNE HIRSCH and JOSEPH IEGER,
individually and on behalf of all
other persons similarly situated,

Plaintiffs,

- against -

81 Civ. 4803 (JES)

ATTORNEY'S
AFFIRMATION

SOUNDVIEW APARTMENTS HOUSING DEVELOPMENT
FUND CO., INC. and UNITED HOME FOR AGED
HEBREWS and GEORGE M. FRIEDLAND, HERBERT
PLATZNER, SAUNDERS T. PREISS and CHARLES
H. SINGER, individually and as officers
of defendants Soundview Apartments
Housing Development Fund Co., Inc. and
United Home for Aged Hebrews, (the private
Defendants), UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, SAMUEL R.
PIERCE, SECRETARY, UNITED STATES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
and JOSEPH D. MONTICCIOLO, REGIONAL
ADMINISTRATOR, UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, (the Federal
Defendants)

Defendants.

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) SS.:

STEPHEN NORMAN, of counsel to Westchester Legal Services,
Inc., counsel for the plaintiffs, affirms as follows:

1. On June 22 and July 26, 1983, I conducted a telephone
survey of Section 202-Section 8 housing for the elderly and
handicapped in Massachusetts. As detailed below, the survey
revealed that there were seven voluntary meal plans and three
mandatory meal plans currently operating in Massachusetts, and
that all of the mandatory plans cost more than the optional
ones.

2. The survey was based upon HUD's "Listing of Insured Multifamily Housing Projects," U.S. Government Printing Office: 1983-601-037/385, which I obtained from HUD's Boston Area Office on June 22, 1983.

3. I telephoned all Section 202 projects in Massachusetts listed as having over 50 units of total housing. Projects of 50 or less units were not surveyed on the assumption that they were unlikely to have either mandatory or voluntary communal meal plans. There were 37 projects in the survey group, listed alphabetically by location as follows:

- | | |
|------------------------------------|---------------------------------|
| 1. Turtle Creek | Essex Street, Beverly |
| 2. Casa Maria | 130 Endicott Street, Boston |
| 3. Morville House | 145 Commerical Street, Boston |
| 4. Covenant House | 30-40 Washington Street, Boston |
| 5. McNamara House | 69 Halton Street, Boston |
| 6. Ulin House | 30 Wallingford Road, Boston |
| 7. Woodbourne Elderly Housing | 330-336 Hyde Park Ave., Boston |
| 8. Back of the Hill | 100 S. Huntington Ave., Boston |
| 9. Farnsworth House | South Street, Boston |
| 10. Cushing Residences | 376 Washington Street, Hanover |
| 11. Hanover Legion Elderly Housing | Spring St., Hanover |
| 12. The Phoenix | Phoenix Row, Haverhill |
| 13. Bethany Homes (Merrivista) | 100 Water Street, Haverhill |
| 14. Colony Retirement Homes | 68 Reservoir Street, Holden |
| 15. The Protectory I | Maple & Lawrence Sts., Lawrence |

16. Protectory II	Maple & Lawrence Sts., Lawrence
17. Protectory III	Maple & Lawrence Sts., Lawrence
18. Emerson Manor	114 Emerson Rd., Longmeadow
19. St. Mary's Plaza	30 Pleasant St., Lynn
20. Clarkman House	Grove St., Melrose
21. Retirement Homes I	200 W. Foster St., Melrose
22. Retirement Homes II	101 Cottage Street, Melrose
23. Winter Valley Housing	Highland & Canton Aves., Milton
24. Golda Meir House	Stanton Ave., Newton
25. Town Brook House	45 Brackett St., Quincy
26. Quincy Point Homes I	1000 Southern Artery, Quincy
27. Quincy Point Homes II	1000 Southern Artery, Quincy
28. Granite Place	125 Granite St., Quincy
29. Fenno House	540 Hancock St., Quincy
30. Quincy Point Homes III	1000 Southern Artery, Quincy
31. Peter Sandborn Homes	40 Bay State Rd., Reading
32. Revere House	Revere Beach Blvd., Revere
33. Independence House	Roosevelt Avenue, Springfield
34. Williamstown Elderly Housing	Church Street, Williamstown
35. Colony Retirement Homes III	41 Chadwick St., Worcester
36. Colony Retirement Homes IV	521 Grove Street, Worcester
37. Colony Retirement Homes	485 Grove Street, Worcester

4. Seven projects reported operating a voluntary meal service.

5. Ulin House, in Boston, with 243 apartments, has been experimenting with a cafeteria-style lunch program 5

days a week since the spring of 1983. Simple sandwiches, for example, may be purchased for \$1.00. No advance notice is required of tenants who wish to eat on a given day.

6. Clarkman House, a 101-unit project in Melrose, also serves a cafeteria-style lunch 5 days a week. A typical meal costs \$3.00 to \$3.75. No advance notice is required. The program does not operate during school holidays because many of the workers have school-age children.

7. Retirement Homes I and Retirement Homes II in Melrose, with a combined total of 223 apartments, share a voluntary meal plan. Tuesday, Wednesday and Thursday both lunch and dinner are served. On Friday lunch only is served, and on Sunday dinner only. All meals are served at the table, family style. A typical lunch costs \$2.00 and a typical dinner \$3.50, although prices vary depending on the day's menu. No notice is required to partake of lunch, but 24 hours' notice is required for dinner.

8. Quincy Point Homes I, II, and III in Quincy, with a total of 712 units, share a voluntary meal program that provides three meals per day, five days per week, to those who want them. Breakfast is served cafeteria-style for a typical cost of \$1.50, and about 50 tenants usually appear. Lunch is usually patronized by about 80 tenants, is also cafeteria style, with prices such as soup for \$.50, sandwiches \$.75 to \$1.00. Dinner is served family style, available on one day's notice. Guests are permitted to attend. The

cost is \$50.00 per month, or \$25.00 for a ten-meal ticket, or \$2.50 per meal. Seventy to seventy-five tenants usually eat dinner.

9. Peter Sandborn Homes in Reading, with 74 apartments, plans to begin a voluntary meal program in the fall of 1983. Details were not available at the time of my inquiry.

10. Golda Meir House with 124 apartments in Newton, has a mandatory meal charge of \$115.00 per month and serves a sit-down dinner five days per week for a price per meal of \$5.31 if all meals are eaten.

11. Revere House in Revere with 266 units also serves dinner family style five days a week. The mandatory charge is \$117.00 per month, or \$5.40 per meal if all meals are eaten.

12. Colony Retirement Homes III, a 100-unit project in Newton, requires payment of \$195.00 per month in meal charges and serves lunch and dinner seven days a week. If all meals were consumed this would amount to a daily charge of \$6.43. Colony makes a per diem reduction if a tenant is in a hospital, or is away from home for more than a week at a time.

13. Bethany Homes (Merrivista) in Haverhill, operates congregate housing for tenants of its 150-unit project. Participation is mandatory but the cost of the meals is itself subsidized under the Congregate Housing Services Act.

14. Six other projects reported the operation of an "elderly nutrition site" either on their premises or nearby. These sites, subsidized under contract with local Offices for the Aging, provide one hot meal per day, five days per week, to elderly neighborhood residents for a voluntary contribution limited to a maximum of \$.75 or \$1.00 per meal. Participation is, of course, voluntary.

15. The federal defendants' apparent proposition that mandatory meal plans are the only way to provide elderly tenants of subsidized housing with nutritional and social opportunities turns a blind eye to what is going on in their own front yard. Not only are voluntary meal plans workable, for some reason they turn out to be less costly than mandatory ones.

WHEREFORE, affirmant respectfully urges that federal defendants' motion to dismiss be denied in all respects.

Dated: September 12, 1983
White Plains, New York


STEPHEN NORHAN

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,
ANNE HIRSCH and JOSEPH TIEGER,
individually and on behalf of all
other persons similarly situated,

Plaintiffs,

- against -

81 Civ. 4803 (JES)

SOUNDVIEW APARTMENTS HOUSING DEVELOPMENT
FUND CO., INC. and UNITED HOME FOR AGED
HEBREWS and GEORGE M. FRIEDLAND, HERBERT
PLATZNER, SAUNDERS T. PREISS and CHARLES
H. SINGER, individually and as officers
of defendants Soundview Apartments
Housing Development Fund Co., Inc. and
United Home for Aged Hebrews, (the Private
Defendants), UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, SAMUEL R.
PIERCE, SECRETARY, UNITED STATES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
and JOSEPH D. MONTICCIOLO, REGIONAL
ADMINISTRATOR, UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, (the Federal
Defendants),

AFFIDAVIT

Defendants.

STATE OF FLORIDA)
COUNTY OF DADE) SS.:

MAJORIE McDONALD, being duly sworn, deposes and says

that:

1. I have been the manager of Robert Sharp Towers in
Miami since 1979. Robert Sharp Towers is an apartment building
for elderly and handicapped persons, constructed under Section
202 of the Housing Act of 1959. R.S.T. #2 was constructed under
201-(0) (4)

2. Since 1979, I have attempted to obtain funding for
a meal program for the residents. Since I was unable to
secure outside funding, I assisted the tenants at Robert Sharp

Towers in organizing a voluntary meal program which they actually run themselves.

3. One hot evening meal a day is offered five days a week at \$2.00 a meal for residents and \$2.50 a meal for non-residents. A typical meal could consist of soup, half a roast chicken, mashed potatoes, a green vegetable, bread and butter, tea or coffee and dessert. The majority of the cost of the meal is covered by the fees collected from the diners. However, this is supplemented by the Tenants Association's own fund-raising activities as well as the operating fund of the building which covers the cost of labor.

4. Residents and non-residents who choose to partake of the communal evening meal need only make their request by 10:00 AM of the same day. The meals are served between 3:30 and 5:00 PM so that tenants have some freedom to choose when they wish to eat.

5. Of the approximately 250 tenants in the project, anywhere from 60 to 100 partake of the meal service on any given day. The tenants, in general, are satisfied with and proud of the meal program that they have instituted.

Marjorie McDonald
MARJORIE McDONALD

Sworn to before me this
20 day of September, 1983

[Signature]

Notary Public

Notary Public, State of Florida
My Commission Expires May 1, 1984

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEAN JOHNSON, SEYMOUR JOHNSON,
MARY ARUNDELL, ANNE HIRSCH and JOSEPH
TIEGER, individually and on behalf of all other
persons similarly situated,

Plaintiffs,

-against-

AFFIDAVIT

SOUNDVIEW APARTMENTS HOUSING DEVELOP-
MENT FUND CO., INC., and UNITED HOME FOR
AGED HEBREWS, and GEORGE M. FRIEDLAND,
HERBERT PLATZNER, SAUNDERS T. PREISS, and
CHARLES H. SINGER, individually and as officers
of defendants Soundview Apartments Housing
Development Fund Co., Inc., and United Home for
Aged Hebrews,

Defendants.

STATE OF NEW YORK }ss:
COUNTY OF WESTCHESTER


EILEEN GOODMAN, being duly sworn, deposes and says that:

1. I am the Program Administrator for the Westchester County Office
for the Aging Nutrition Program for the Elderly. I have been so employed for
two years, prior to which I was a Specialist Nutritionist for the same Nutrition
Program for two years. In my present capacity I am responsible for contracting
with commercial caterers and others for the preparation and delivery of hot meals
at 25 nutrition sites and 10 home-delivered meal programs serving persons over
60 years of age in communities throughout Westchester County. The meals must
conform to federal specifications governing temperature and nutrition, pursuant
to the Older Americans Act.

2. The present contract costs of such commercially catered meals, delivered to any site in Westchester, range from \$2.00 to \$2.20 per meal for non-Kosher meals from Saga Food Service and Continental Kitchens, and \$2.45 for Kosher meals from Yun Kee caterers. A further cost of \$0.17 is incurred at those sites where disposable plates, cups, napkins and utensils are used. At the Peekskill nutrition site, where we are working with a pilot (non-profit) program and doing our own purchasing and cooking, the all-inclusive cost is \$1.75 per meal.

3. With the commercial caterers, we can contract for as few as an average of 50 meals per day. Further, under the contracts we can call the day before and order and pay for exactly as many meals as we need.

4. The senior citizens who patronize the nutrition sites served as described above are asked for a voluntary contribution of up to \$1.00 per meal.


EILEEN GOODMAN

Sworn to before me this 22nd
day of September, 1981.

Notary public
STEPHEN S. HOOGAN
Public Notary of New York
Notary No. 224134
County of Westchester, New York
EXPIRES MARCH 30, 1982

Chairman GONZALEZ. Ms. Eaton, we recognize you now.

STATEMENT OF PATRICIA A. EATON, MANAGER, CLYDE F. SIMON LAKEVIEW APARTMENTS, BATH, NY, FORMER BOARD MEMBER, NATIONAL COUNCIL OF SENIOR CITIZENS

Ms. EATON. Thank you, Mr. Chairman. It is interesting because I also testified, I believe, in 1983 for you, Ms. Blumkin, on this same project, and my testimony, which I'm not going to read in full because you have it on record. With your permission, I'll just summarize.

Chairman GONZALEZ. Certainly, without objection, your prepared text will be in the record, and then you may proceed as you see best.

Ms. EATON. Thank you. Because my testimony does support Mr. Smith, I believe.

My name is Patricia Eaton, and for the past 3½ years I have managed a 150-apartment 202 section 8 elderly, handicapped housing project known as the Clyde F. Simon Lakeview Apartments located in Bath, NY and cosponsored by the National Council of Senior Citizens and the Steuben County Economic Opportunity Program and is located in the scenic rural southern tier of New York State.

In the 5½ years of planning Lakeview Apartments, we were very careful to design apartments with more than adequate space, particularly in the bathroom and kitchen areas. We wanted these apartments to be functional, where the elderly could live out their remaining years independently and in dignity, which they have not only earned but deserved.

In the design of Lakeview Apartments, like many across the country, we desired to incorporate the elderly nutrition program known as title III-C and home delivered meal program known as title III-C-I. These programs are strictly voluntary and only a suggested donation is requested from those who feel financially able. A complete stainless steel, commercial kitchen, well equipped, was incorporated in the design with a beautiful dining room, with a luxury restaurant design, seating approximately 200 people.

This was designed as the other community spaces in the project to reduce the institutional atmosphere. The nutrition program operates daily in Lakeview Apartments with well planned and well-balanced meals, which is attached to my testimony, available to those who wish to participate, which is attached to my testimony.

Available to those who wish to participate, there is a dietician on staff who plans not only these meals but the meals for those who are on special diets, such as diabetic or low sodium. These meals are served Monday through Friday in our dining room, and approximately 60 of our tenants participate in the congregate meal program, and approximately 10 receive home-delivered meals.

The suggested donation is \$1.25 per meal and the monthly average of donations received is \$1 per meal. In the event of a mandatory meal program with a fixed charge, the nutrition program, known as titles III-C and III-C-I, funded under the Older Americans Act, could not operate in our complex because the regulations state there is definitely no charge, only a suggested donation.

would only spell disaster to the tenants who participate. There is on occasion a tenant who has been hospitalized and needs home-delivered meals for a short period of time. This is available through the Title III-C-1 Program. In these areas, meals for the weekends are packaged and taken to the apartments and frozen for the weekend.

All of these meals are well planned to provide two-thirds of the daily food requirements of an elderly person. There are ongoing nutrition education programs available to all elderly in our building. These programs are sponsored and presented by the Cooperative Extension Service, Home Health Services, the Public Health Nursing Service. My assistant, who is well trained in nutrition education herself, provides a weekly cooking class which is designed to assist particularly widowers who may not have had the experience and expertise in meal planning that a widow would have.

These classes are available to all who wish to participate. It behooves me as to why a mandatory meal is even considered for residents of 202 elderly housing project. The age for eligibility to live in a 202 project is 62. And, of course, there are many in their seventies and eighties and even a few in their nineties.

The other eligibility requirement, which has even greater importance, is that the person must be able to maintain themselves in their apartments. Does this mean, when you become 62, you cannot prepare a well-balanced meal? That you no longer know or care about nutritional value?

Or, when you are 75 or 80 and have raised a family who are now healthy adults, only because you are very conscious of the importance of nutrition, but now at 75 or 80, you cannot prepare this same type of meal for yourself?

Section 202, section 8 housing projects are not proprietary care or nursing homes. These projects are for physically able older Americans who, due to high cost of living, can no longer afford to live in their large old homes, where maintenance costs and utilities amount to more per month than their Social Security and small pension checks.

Yes, they need financial assistance with comfortable and adequate housing, but they do not need the Federal Government or any other bureaucracy to mandate what they eat, when to eat it and then be mandated to pay for it.

I strongly feel that a mandatory meal program in any elderly housing project is a violation of constitutional rights of older Americans.

Let us all allow this age group, who have suffered through many wars and many conflicts, who have lived through a severe depression, who have worked tirelessly at low-paying jobs with little or no retirement benefits, who now face cuts in Medicare and a freeze on even the small cost of living increase in Social Security benefit, let them live their remaining years in the dignity that they so rightly deserve.

I am here today speaking in behalf of hundreds of older Americans across the Nation and they, as well as myself, oppose any *mandatory meal program in any section 202, section 8 housing project, or any other elderly subsidized housing project.*

I'd like to thank you on behalf of the elderly and myself for inviting me here today to express our views and concerns on the mandatory meal program, section 202, section 8 housing.

Thank you.

Chairman GONZALEZ. Thank you very much, Ms. Eaton, first, for your testimony, but above all, your presence here.

[Ms. Eaton's prepared statement, on behalf of the Clyde F. Simon Lakeview Apartments, follows:]

To: Henry B. Gonzales
Chairman & Committee Member
Sub-Committee on Housing and
Community Development

From: Patricia A. Eaton
Manager
Clyde F. Simon Lakeview Apartments
105 Geneva Street
Bath, New York 14810

Subject: Testimony Ref:
Mandatory Meal Program
in 202/8 Elderly Housing Projects
March 6, 1985

TESTIMONY

My name is Patricia Eaton, and for the past 3½ years I have managed a 150 Apartment 202/8 Elderly-Handicapped Housing Project known as the Clyde F. Simon Lakeview Apartments located in Bath, New York, and co-sponsored by National Council of Senior Citizens and the Steuben County Economic Program Inc., and is located in the scenic rural Southern Tier of New York State.

Prior to this position, I was Director of the Nutrition Program for Elderly in Steuben and Yates Counties in New York State from 1974-1981. In well over 20 years of experience in the fields of Nutrition, Advocacy, and Gerontology, I have studied extensively in these areas. I was President of the New York Council of Senior Citizens for 6 years, a 14 year Board Member of the National Council of Senior Citizens, a delegate to the White House Conference on Aging, appointed by the Governor, and a delegate to the New York State Conference on Aging.

In the 5½ years of planning Lakeview Apartments, we were very careful to design apartments with more than adequate space particularly in the bathroom and kitchen areas. We wanted these apartments to be functional where the Elderly could live out their remaining years, independently and in dignity which they have not only earned, but deserve.

In the design of Lakeview Apartments, like many across the county, we desired to incorporate the Elderly Nutrition Program known as Title III-C and the Home Delivered Meal Program known as Title III-C-I. These programs are strictly voluntary and only a suggested donation is requested from those who feel financially able.

A complete stainless steel commercial kitchen well equipped was incorporated in the design with a beautiful dining room with a luxury restaurant design, seating approximately 200 people. This was designed as the other community spaces in the project, to reduce the institutional atmosphere.

The Nutrition Program operates daily in Lakeview Apartments with well planned and well balanced meals (see attached) available to those who wish to participate. There is a dietitian on Staff who plans not only these meals, but meals for those who are on special diets, such as diabetic or low sodium. These meals are served Monday thru Friday in our dining room and approximately 60 of our Tenants participate in the congregate meal program and approximately 10 receive home delivered meals. The suggested donation is \$1.25 per meal and the monthly average of donations received is \$1.00 per meal.

In the event of a Mandatory Meal Program with a fixed charge, the Nutrition Program known as Title III-C and III-C-I, funded under the Older Americans Act, could not operate in our Complex because the regulations state there is definitely no charge, only a suggested donation.

This would only spell disaster to the Tenants who participate. There is on occasion a tenant who has been hospitalized and needs Home Delivered Meals for a short period of time. This is available thru the Title III-C-I program, and in these areas meals for the weekends are packaged and taken to their apartments and frozen for the weekend. All of these meals are planned to provide two thirds of the daily food requirements of an Elderly person. There are on-going Nutrition Education Programs available to all Elderly in our building. These programs are presented by Co-operative Extension Service, Home Health Services, and Public Health Nursing Service. My Assistant, who is well trained in Nutrition education herself provides a weekly cooking class which is designed to assist particularly widowers who may not have had the experience and expertise in meal planning that a widow would have. These classes are available to all who wish to participate.

It behooves me as to why a mandatory meal program is even being considered for residents of 202/8 Elderly Housing Projects. The age for eligibility to live in a 202/8 project is 62, and of course there are many in their 70's, 80's and even a few in their 90's. The other eligibility requirement which has even greater importance is, that the person must be able to maintain themselves and their apartments. Does this mean when you become 62 you cannot prepare a well balanced meal, that you no longer know or care about nutritional values, or when you are 75 or 80 and have raised a family who are now healthy adults, only because you were very conscious of the importance of nutrition, but now at 75 or 80 you cannot prepare this same type of meal for yourself.

202/8 Housing Projects are not proprietary care or nursing homes. These projects are for physically able Older Americans who, due to high cost of living can no longer afford to live in their large old homes where maintenance costs and utilities amount to more per month than their Social Security and small pension checks.

Yes, they need financial assistance with comfortable and adequate housing, but they do not need the Federal Government or any other bureaucracy to mandate what they eat and when to eat it, and then be mandated to pay for it.

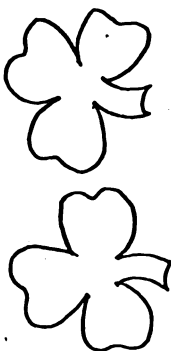
I strongly feel that a mandatory meal program in any Elderly Housing Project is a violation of Constitutional rights of Older Americans.

Let us all allow this age group, who have suffered through three wars and many conflicts, who have lived through a severe depression, who have worked tirelessly at low paying jobs with little or no retirement benefits, who now face cuts in Medicare and a freeze on even the small cost of living increase in Social Security benefits, let them live their remaining years in the dignity that they so rightly deserve.

I am here today speaking in behalf of hundreds of Older Americans across the nation and they as well as myself, oppose any mandatory Meal Program in any 202/8 Housing Project or any other Elderly Subsidized Housing Project.

I would like to thank you in behalf of the Elderly and myself for inviting me here today to express our views and concerns on mandatory meal programs in 202/8 Elderly Housing Projects.

STEUEN COUNTY-NUTRITION PROGRAM FOR THE ELDERLY
MARCH IS NATIONAL NUTRITION TIME



MONDAY 3-4-85	TUESDAY 3-5-85	WEDNESDAY 3-6-85	THURSDAY 3/7/85	FRIDAY 3-1-85
Hazetti	Baked Ham	Chicken A la King	Swedish Meatballs	Salmon Cheese Casserole
French Style Green Beans	AuGratin Potatoes	on Biscuit	Scalloped Corn	Butternut Squash
Tossed Salad w/Creamy Italian Dressing	Broccoli Oats	Buttered Carrots	Molded Fruit Salad on Lettuce w/Fruit Dressing	3 Bean Salad
Orange Juice	Hot Roll	CRUNCHY Vegetable bits w/Dip	Whole Wheat Bread	Rye Bread
Italian Bread	Rainbow Sherbet	Tomato Juice	Grape Juice	Bread Pudding w/Topping
Chilled Fruit Cocktail		Sugar Cookie	Apricot Halves	
MONDAY 3-11-85	TUESDAY 3-12-85	WEDNESDAY 3-13-85	THURSDAY 3-14-85	FRIDAY 3-15-85
Liver & Onions w/Gravy	Turkey Macaroni Casserole	Cheeseburger Pie	ST. PATRICKS DAY	Fish on a Bun w/Tartar Sauce
Mashed Potatoes	Zucchini & Tomatoes	Mixed Vegetables	Corned Beef	Buttered Peas
Oriental Mixed Vegetables	Molded Peach Salad w/ Mayo	Chef's Salad w/Russian Dressing	Boiled Potatoes	3 Bean Salad
Whole Wheat Bread	Corn Bread	Roll	Rye Bread	Apple Juice
Chilled Pear Halves	Chocolate Pudding w/Topping	Relatin Jewels	CRISP SWEET Red DELICIOUS Apples	Pineapple Tidbits
MONDAY 3-18-85	TUESDAY 3-19-85	WEDNESDAY 3-20-85	THURSDAY 3-21-85	FRIDAY 3-22-85
Spaghetti & Meat Balls w/Parmesan Cheese	Ham & Scalloped Potatoes	"Spring Fling"	Pork Cutlet w/Gravy	Cheese Omelet
Fresh Vegetable Salad w/Italian Dressing	Butternut Squash	Baked Chicken	Candied Sweet Potatoes	Baked Potatoes
Garlic Bread	Molded Cucumber Salad	Buttered Spinach	7 Layer Salad	Rye Bread
Pineapple Juice	Whole Wheat Bread	Hot Roll	Zucchini Bread	Blueberry Muffin
Frosty Vanilla Ice Cream	Chilled Applesauce	Cheesecake w/ Fruit Topping	SPICY Milled Cider	Peanut Butter Oatmeal Cookies
MONDAY 3-25-85	TUESDAY 3-26-85	WEDNESDAY 3-27-85	THURSDAY 3-28-85	FRIDAY 3-29-85
Goulash	Beef Contiental	Veal Parmesan	Roast Turkey w/Dressing & Gravy	Baked Macaroni & Cheese
Max Beans	Rice	Mashed Potatoes	Buttered Carrots	Harvard Beets
Tossed Salad w/French Dressing	Broccoli Normandy Cottage Cheese/roll	Peas	Cabbage Sa ad	Grapefruit Juice
Italian Bread	Vegetable Salad	Roll	Pumpkin Pie	Rye Bread
Grape Juice	Whole Wheat Bread	REFRESHING Fruit Cup	Jello w/Topping	Brownie
Chilled Peach Halves				

FORTIFIED MARGARINE, MILK, COFFEE OR TEA SERVED WITH ABOVE

Ms. EATON. I would like to add one thing if I may.

Chairman GONZALEZ. Certainly.

Ms. EATON. I have here about a thousand or more letters that I was asked to hand-deliver to you by seniors and their families from across the country, for the review of the committee.

Mr. Lundine, our Congressman, has already got a package on the way to him. I was hoping to see him today, but he must be busy. And I know Stan supports us greatly on this. So I'm going to leave this.

Chairman GONZALEZ. Are these letters addressed to us, the subcommittee, or to Mr. Lundine?

Ms. EATON. They're addressed to you.

Chairman GONZALEZ. Fine.

Ms. EATON. OK? They want you to look them over.

Chairman GONZALEZ. I'll pledge you, I'll see them and we'll acknowledge them, too.

Ms. EATON. Thank you.

Chairman GONZALEZ. The same GAO report we've been talking about, as far as we can decipher it, also indicated, and I noticed Mr. Smith is still in the chamber, so I'm glad, that about 70 percent of the actual cost of the meals was what the residents were paying for.

Now could you tell us how you manage to provide on a voluntary basis the meals, and what, if any, kind of subsidization or contribution you rely on?

I noticed also, and, of course, it's going to be part of the record because it was attached to your testimony, the menu that you prepare.

Ms. EATON. Yes, sir.

Chairman GONZALEZ. I'm telling you, I wish I could have that every week.

Ms. EATON. Those meals are excellent. That's not prepared by myself. That's done by a dietician.

Chairman GONZALEZ. Excellent.

Ms. EATON. Prior to managing this project, while we were bringing this project in, I was director of the nutrition program from its inception in 1974. So that's why the building, you know, we were able to really push to get it, the dining room and commercial kitchen, because we were going to incorporate that nutrition program into that complex.

Now people from the outside eat there also. We feed four other communities out of that project, out of that nutrition project.

Chairman GONZALEZ. Four other communities?

Ms. EATON. Yes, sir.

Chairman GONZALEZ. These are not subsidized housing?

Ms. EATON. No, but this is available to the tenants, and also to people in the community. And the food is prepared and bulk-shipped to these small, very rural communities who don't have facilities.

Chairman GONZALEZ. And, of course, these other nonresident consumers of your services, they pay the same?

Ms. EATON. It's the suggested donation for everybody. The same.

Chairman GONZALEZ. In other words, if they cannot or do not choose to, then you would be actually donating the meal?

Ms. EATON. That program is federally funded under the Older Americans Act.

Chairman GONZALEZ. Under the Older Americans Act?

Ms. EATON. Yes, sir.

Chairman GONZALEZ. OK. That's what I was wondering.

Ms. EATON. And the contributions are made in unmarked, small, brown envelopes, and the people just throw them in a box so nobody knows if they gave anything, or they gave a dollar, or they gave a quarter, or whatever.

And when I heard this question being brought up, just very briefly, I think the transition could be made very easily in a year's time in any project if they'd look around and tap the resources in any community today.

Right now, if the Older Americans Act, for some reason, discontinued the nutrition program, I would have no problem instituting a same type of program using community resources that are already in place.

Chairman GONZALEZ. Well, that's very important to know. Very interesting. As you know, we have introduced the basic housing reauthorization bill. Every one of the assisted housing programs is up for either renewal or elimination. And in the version we introduced known as H.R. 1, we provide * * * this was my thinking, my feeling. I have always reacted very much like Mr. Smith. Maybe it's because we're from the same generation. I'll be 69 in May, Mr. Smith, so you might be half a year older than I am. But there's something about the aspect of this tying to a Mandatory Meals Program, the eligibility for housing. It's just obnoxious to me.

So, in H.R. 1, we are eliminating that. But we also provide for some phaseout period to give people—

Ms. EATON. I feel that could be done in a year.

Chairman GONZALEZ. Sir?

Ms. EATON. I just feel very strongly that, in any project, that could be done within a year's time—without any extra Federal dollars.

Chairman GONZALEZ. Well, I'm hopeful that we can get the support we need here on H.R. 1 from all over, both the Democratic as well as the Republican membership. Always, our programs have really been—it's taken at least a partial bipartisan ability to provide.

But what confronts us at this time and period and junction in our history is, I think, something that's quite unique also. And very disturbing. Very alarming to me.

I've had the privilege of serving on all the three levels of legislative endeavor—the local city council, local legislative unit; the State senate, the State; and here for 24 years.

And it's very disturbing to see the insidious nature of the developments, and they are reflected in what we have to confront. I think it was I, who, very early, 4 years ago, recognized the fact that the main thrust of the President, the new President's program, was going to be, 80 percent of it, on the area of jurisdiction that this subcommittee has, which is housing and community development, both urban as well as rural.

But it's been very, very difficult, impossible, in fact, even now, to communicate the dimensions of the challenge to the policies and

programs that Congresses have for 44 years have found reason for the national interest to place.

But the attack doesn't come in a frontal, direct way. In other words, since February 1981, we have been saying this. There's nothing wrong—in fact, it ought to be—that the Congress confront each and every program it has seen fit to put in place, and oversee it and study it and see if it continues to have merit or doesn't.

But when these programs are being eliminated, first, with no substitute or no alternative offered, and not as a result of a careful study, hearings, debate, every one of the programs placed resulted after much debate and agitation in the Congress, and it just bothers me no end to see these basic programs—in fact, the very reason for which the Department was created—attacked and targeted for elimination on the basis not of merit or demerit, but on the basis of a budgetary exigency that is open to debate but really hasn't been debated. Because, the same techniques that we have seen with great trouble used by authoritarians in other countries—and those of us who have been privileged to live this long, we are Depression kids. And there's no way you can evoke another time, another era, the sounds, the smells, the sights, the passion of the issues, the nature, no way you can do it in retrospect except that the human being progresses only by experience, trial and error. There is no other way. As long as we're living, we're learning.

And it grieves me to see our country proceeding along the same, general lines that other very great countries and cultures have in the 20th century, in which democracy has been lost. Very difficult to retrieve.

I'll never consider that the German people, the Italian people, or even the Russian people, except, my goodness, we're talking in the case of Russia, of a country that 50 years ago was still sunk in peasantry, and unlike Germany and Italy that were highly cultured, highly developed, I've never felt that we were more virtuous per se than they.

So I've always asked a question: How come? And watch the series of events. And I've seen it happen in our country. I've read Pastor Borgeor of Germany, who said,

"Well, yes, that's right. When we saw it happening to the other, to the Jew, we said, Well, maybe they did something."

When it happened to the Catholic, we said:

"Well, maybe they did something. When it happened to us, it was too late."

It's the same thing in our country today. Mr. Smith was speaking about a segment of our population that's still quite invisible, at least from the press level, electronic press as well as the printed press.

This is the way it was with the former until very recently. Some of us have been addressing the issue, like we have this. We've had a couple of witnesses in the last two days that talk about social disturbances. We had a witness yesterday from New York, the housing director of the city of New York, who quoted a Netherlands minister who visited New York recently and said:

You know, you're developing the same conditions we had that led to such crisis as rent squatters, rent strikes and violence.

Well, I had been saying this for 4 years and pointed specifically to Brussels, Belgium, Paris, France; West Germany, for the same reasons, because you don't have to be an expert to know that certain things happen. Human beings are going to react a certain way. And you don't have to be a tenant in a section 202 housing where in order to be eligible to occupy, you have to subscribe to a higher payment of a mandated meal you may never take. You know, it just goes against the grain, and it's certainly the most base definition of what I call un-American that I can think of.

So we were interested in having all the pros and cons as best as we can get them. We are also soliciting information from other people throughout the country that can't come as witnesses.

We're also going to go out. We'll have a chance to visit your areas. In your case and the particular area where your project is underway. We hope it will be our opportunity to visit St. Margaret's, as a subcommittee. And if we can't as a subcommittee, well, then, I will as a chairman.

It's just very, very, very pertinent to the crisis as I see it, and perhaps you will enable us to stem the tide, penetrate the level of consciousness of the majority of our colleagues and successfully guide the basic legislation that this year is absolutely necessary if we're going to reaffirm our commitment to a national housing policy.

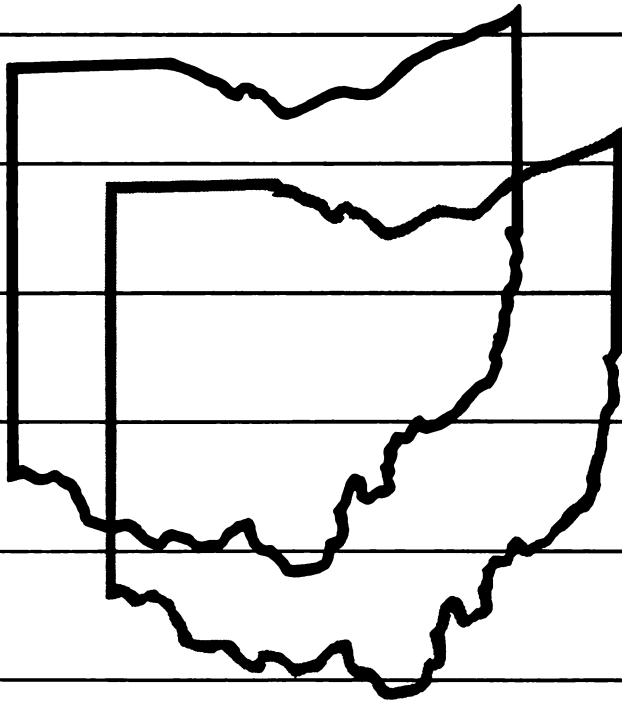
We either do or we don't this year. So thank you very much and thank you for your patience, and enduring with us through the lunch period.

The subcommittee will stand in recess until tomorrow morning at 9:30 in this hearing room.

[Whereupon, at 2 p.m., subcommittee adjourned, to reconvene at 9:30 a.m., the following day, March 7, 1985.]

[The following report, "Homelessness in Ohio: A Study of People in Need," was submitted by Congresswoman Oakar for inclusion in the record. Also submitted for inclusion in the record are additional reports submitted by Mr. Talisman. The material follows:]

Homelessness in Ohio:
a study of people in need



Statewide Report

Ohio Department of Mental Health
Office of Program Evaluation and Research
Research funded by the
National Institute of Mental Health

1192

Homelessness in Ohio: A Study of People in Need

Statewide Report

by

**Dee Roth, Principal Investigator
Jerry Bean, Ph.D., Co-principal Investigator
Nancy Lust, Ph.D., Project Coordinator
Traian Saveanu, M.D., Epidemiologist**

**Ohio Department of Mental Health
Office of Program Evaluation and Research**

February 1985

**Research funded by the National Institute of Mental Health
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Statewide Research Team

Central

Beverly Toomey, Ph.D., Ohio State University College of Social Work
Richard First, Ph.D., Indiana University School of Social Work

Southwest

Steven Howe, Ph.D., University of Cincinnati Institute for Policy Research
Mary Steff, Ph.D., Trinity University, San Antonio, Texas (formerly of the University of Cincinnati)
Stacey Locks, Northridge Hospital Medical Center, Northridge, California

Southeast

Terry Buss, Ph.D., Youngstown State University Center for Urban Studies
Frederick H. Pullin, Youngstown State University Center for Urban Studies

Northeast

Thomas P. Holland, Ph.D., Case Western Reserve University School of Applied Social Sciences
Harvey Hilbert, Rainbow Associates Counseling Services, Cleveland

Northwest

James A. King, Ph.D., Community Research Associates, Inc., Toledo
William A. Muraco, Ph.D., Community Research Associates, Inc., Toledo
James Patrick Wells, Community Research Associates, Inc., Toledo

Production and Layout of Reports
Carla Davis
Research Coordinator
Office of Program Evaluation and Research

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The backbone of the project has been our regional staff. Coordinators Bev Toomey, Dick First, Steve Howe, Mary Steff, Stacey Locks, Terry Buss, Fred Pullin, Harvey Hilbert, Tom Holland, Jim King, Bill Muraco and Jim Wells helped us conceptualize the difficult data collection issues, design and revise the instruments, and write the reports, in addition to being responsible for the data collection in their regions. More than once, all of us sat in my living room and said "What have we gotten ourselves into?!" In the last analysis, the quality of our survey data rested on our 42 field interviewers. They were a concerned and dedicated group, who spent much more time searching out interviews, particularly in the rural areas, than they were ever paid for.

Many other people besides the paid field staff put in countless hours to make the research a success. Key Informants throughout the state willingly shared their knowledge with us. Social workers in state hospitals filled out forms for six months, letting us know about admissions who were homeless. Workers in community mental health agencies went through years of records to give us information on our sample of clients. In some counties, Community Mental Health Boards used their information systems to help in the task.

We owe an obvious debt of gratitude to the National Institute of Mental Health for funding the study. But beyond that, there were individuals who were interested in what we were doing and who gave us encouragement: Rosalyn Bass, our Project Officer and Ron Manderscheid at Biometry and Epidemiology, and Jacque Rosenberg and Jim Stockdill at the Office of State and Community Liaison.

Every research endeavor has a lot of unsung heroes. In this one, the other Office of Program Evaluation and Research staff--Bill Rubin, Suzan Hurley-Cogswell and Martha Taylor--helped us conceptualize the proposal and gave useful input throughout the project. The Bureau of Statistics assisted us with computer runs, and Norma Lusk, Cheryl Lane and Paul Stiers in the Office of Fiscal Administration assisted in processing the large amounts of payroll for the research team. Last, but certainly not least, the entire research team would like to thank our families and other members of our social support networks (particularly Allan Roth) who have been looking forward to seeing us again....

We respectfully dedicate this report to all of the homeless people in Ohio, especially those who were gracious enough to share their lives and their problems with us in an interview. We hope the study, and our sharing results with policy-makers around the state, will be a catalyst for the development of the kinds of programs and policies that will provide long-term solutions.

February 1985

Dee Roth

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INTRODUCTION

Problem Statement

Homelessness in America has emerged, especially within the last decade, as a social problem of considerable depth and magnitude. Popular notions about homeless people as skid row bums ravaged by alcoholism or as somewhat romanticized open-road travelers unencumbered by the many pressures of daily living have given way to the view that many of the homeless in this country are people who have been displaced by social policies and processes far beyond their control. It has been suggested that what America is faced with in this growing group of homeless people is a "new mendicancy" (Baxter and Hopper, 1982).

Estimates of the size of America's homeless population have been difficult to make. Figures range from 192,000 people (U.S. Department of Housing and Urban Development, 1984) to 2.2 million people (Hombs & Snyder, 1982), or one percent of America's total population. The primary reason for such variability in estimates relates to the substantial problems encountered when trying to find and study the homeless population. Certain characteristics of the group such as transience, seasonal variations in location and composition, reluctance to use charity or social services, and a lack of willingness and capacity to be interviewed establish real barriers to an accurate count or an in-depth examination of the homeless in this country.

It has been suggested that some of the reasons for the swelling ranks of America's homeless population can be traced directly to recent social and economic policies and processes. Over the past decade, economic difficulties have literally disenfranchised many of the most vulnerable groups in this society (Hombs and Snyder, 1982). Inflation, unemployment and choices about national priorities for tax dollars have dramatically affected the lives of the elderly, the poor, minority groups and the disabled. Affordable housing is no longer a possibility for many people. Inner city groups have been displaced by urban development projects and have found that the only place to go is into abandoned or "worthless" parts of the city. For many of these people, a homeless existence is their only real choice.

Deinstitutionalization policies and practices have also been proposed as being linked to increases in the homeless population in America. Leepson (1982, p. 796) notes,

"The number of patients in U.S. mental hospitals dropped to 150,000 in 1978 — the complete statistics are available — from a peak of about 650,000 in the mid-1950s. Many of the deinstitutionalized patients have been placed in nursing homes or community mental health centers. But there are only about 800 local mental health facilities across the country—not nearly enough to accommodate the need. Many former mental patients are therefore either under-served or unserved by community outpatient facilities. Often they wind up on the streets."

Not all researchers agree that deinstitutionalization has had such a dramatic impact on the homeless population. In a recent New York State Office of Mental Health study (1982), researchers found that of 107 randomly-selected users of men's shelters, one-third had psychiatric hospitalizations and one-fifth had been in state hospitals. They further qualified their findings, however, with this statement:

"There is little justification for the assertion that the growth in the homeless population seen today is due to large numbers of releases from

(2)

state hospitals. Of the 22 percent who were ever in a state hospital, close to half were released more than 5 years ago. Furthermore, only 15% were thought to be homeless because of mental problems." (p. 13)

Citing a close link between deinstitutionalization and homelessness among the chronically mentally ill population, the American Psychiatric Association (Lamb, 1984) asserts that it is not the result of deinstitutionalization per se, but the way deinstitutionalization has been carried out, i.e., lack of planning for structured living arrangements and for adequate treatment and rehabilitative services in the community.

While recent attention to homelessness has increased, it is still the case that what is "known" about the condition and circumstances of homeless people is minimal. There has been no real sense of accumulation of knowledge about homelessness in the literature. In fact, the literature on homelessness, both empirical and popular, is a morass of speculative, value-laden and overblown generalizations about both the causes of the condition and who should be responsible for meeting the needs of homeless people. In the face of this confusion and gaps in knowledge, it has been very difficult for policy makers and program planners to address the problem in a meaningful and effective way.

This study was intended to address some of those knowledge gaps by examining characteristics, concerns and mental health needs of homeless people. The research addressed several areas that have both state and national implications. First, there was an effort to examine many of the major issues surrounding homelessness, for example the demographic characteristics of the population, their mobility patterns, the reasons for their homelessness, their use of social and mental health services and contact with family and friends. Second, the research looked at the interaction between homelessness and mental health problems and policies from a number of standpoints. The level of mental health problems was assessed in the entire interview population, in order to give planners and service providers a data base from which to estimate needs. Special attention was focused on ascertaining the number of homeless people who have had prior mental health service contacts and the nature of those contacts, and the number of those individuals who may still need services. In addition, the study addressed the issue of whether homeless people who have not had prior mental health agency contact have unmet mental health needs. Studies in New York and California have indicated that a number of homeless people who have not had prior contact with a service provider do have mental health problems, but there had been no comprehensive research on this issue that would define the scope of the problem for policy makers or would point to appropriate solutions. Finally, this study attempted to reduce many of the methodological limitations of previous research and achieve a more comprehensive picture of homeless people through the inclusion of interviewees from major urban areas as well as rural areas and small cities. In addition, data were collected from individuals in a wide range of homeless conditions, not just in shelters.

Ohio was an excellent setting for this study because the state is, according to 1980 Census data, very similar demographically to the rest of the country. Ohio's total 1980 population of 10,797,419, the sixth largest state in the nation, was distributed across 88 counties ranging in size from Cuyahoga County with 1,498,295 to Noble County with 11,584. The state has been characterized as being close to the national average on the mix of rural/urban population and in the distribution of race, age, education and income. Further, Ohio is a state undergoing significant changes in both its economic base and population distribution and composition. The state is experiencing first-hand many of the forces and policies that have been purported to be related to the condition of homelessness. The fact that Ohio has a large population and is similar to the rest of the country considerably strengthens the generalizability of study results.

Research Objectives

The research project, "Prevalence of Mental Health Problems Among Homeless People", was conducted to more thoroughly understand the nature of the population, and the relationship between mental health policies and procedures and homelessness. While the argument that deinstitutionalization policies and restrictive admission procedures have had unintended negative effects on some patients appears to be well supported, the extent to which people have been displaced by these policies and procedures and end up homeless is still a matter of some debate. More is needed to be known about the existing mental health needs of homeless people, because, as noted above, gaps in knowledge about homelessness and mental health preclude any meaningful efforts to alter or devise policies and services responsive to the needs of those who are homeless.

This study was, therefore, designed to address key issues about a wide range of homeless people in Ohio. The primary objectives of the study are:

- 1) To describe characteristics of homeless people, particularly those who might be mentally ill. The general categories of information collected about the respondent group included:
 - homeless condition
 - history of psychiatric hospitalization
 - employment history
 - social support
 - use of social services
 - income
 - medical problems
 - demographic information
 - general well-being
 - current mental health status
- 2) To examine, on the basis of the above information and through data collected from Ohio state psychiatric facilities and selected community mental health centers, if and how mental health policies and efforts to deinstitutionalize mental hospitals may have contributed to the homeless population in Ohio.

In addition to these primary objectives, the study was designed to permit an examination of the relationship between the various characteristics of homeless people. The following is a list of the relationships to be examined:

- 1) Is there correspondence between the assessments and perceptions of key informants relative to the condition and problems of homeless people and the data provided by homeless people themselves?
- 2) Are there differences in characteristics or functioning between homeless people located in rural areas and those located in urban areas?
- 3) Are there differences in characteristics or functioning between homeless people located in different regions of Ohio?

(4)

- 4) Are there differences in characteristics or functioning based on type of homeless condition?
- 5) Are there differences in characteristics or functioning based on degree of transience?
- 6) Is there a proportion of homeless people not having had prior mental health system contact who have current mental health service needs?
- 7) Is there a characteristic or set of characteristics of homeless people that tend to systematically relate to general well-being or mental health status?

Organizational Structure

The study was begun in November 1983, by the Ohio Department of Mental Health, in conjunction with a statewide team of university researchers from different regions in Ohio. Overall coordination and direction of the project, as well as the overall data analysis, report writing and interfacing with the state mental health delivery system, was done by the Ohio Department of Mental Health Office of Program Evaluation and Research. The research team members assisted in planning and developing various components of the work, including sampling procedures, instrumentation construction and pilot testing, interviewing of key informants, and data collection and analysis.

For data collection purposes, the state was divided into five regions. The university team members became Regional Coordinators of their specific regions and were charged with overall supervision of data collection in those respective regions. Field Coordinators were hired in each of the five regions to oversee the hiring of field interviewers, supervise the field interviewers and assure the timely collection of data from the field.

METHODOLOGY

General Design

Information necessary to address the above research objectives was obtained through four data collection efforts.

Key Informant Survey. The key informant survey was designed with two purposes in mind. First, it was intended to collect data about where homeless people could be found in a particular geographical area, and how best to approach them for interviews. This information was important to the study from a methodological standpoint since it assisted in both the development of a sampling plan and the training of interviewers. Second, key informants were asked about their perceptions and opinions of the condition and problems of homeless people in their geographical area, the causes of homelessness, services available and the like.

Homeless Person Survey. This survey was designed to collect information from people who were experiencing homelessness firsthand. The plan was to interview 1000 homeless people selected through as random a process as possible given situational constraints. Twenty randomly selected counties were identified as interview sites.

Community Mental Health Agency Survey. This survey was designed to identify the individuals discharged from state psychiatric hospitals during Fiscal Years 1982-1983 who have been homeless following their release from the hospital.

State Psychiatric Hospital Survey. This survey was developed to identify the individuals who were homeless at the time of admission to adult state psychiatric hospitals during a six-month period in 1984.

Definition of Key Terms

What follows is a discussion about how two key terms, "homelessness" and "mental health status", were defined and operationalized in the study.

Homelessness. Using the notion that a variety of conditions can constitute "homelessness", and focusing on the physical location component of the definition, homelessness in this study was conceptualized as existing on a continuum. A series of anchor points along this continuum was identified and later critiqued by members of the research team after talking with key informants and pilot testing draft versions of the instrument. The resulting definition used in this study is as follows:

A person is homeless if he/she sleeps/lives in:

- 1) Limited or no shelter for any length of time. (Examples include: under bridges, inside door stoops, in cars, in abandoned buildings, in a bus station or all-night cafe, or in any public facility.)
- 2) Shelters or missions run by religious organizations or public agencies for any length of time. These facilities are specifically for homeless people, are run on a drop-in basis, and charge no fee or a minimal fee. (Examples include: Salvation Army, Volunteers of America, Open Shelter of Columbus.)
- 3) Cheap hotels or motels when actual length of stay, or the intent to stay, is 45 days or less.
- 4) Other unique situations that do not fall into categories 1 - 3 and the actual length of stay, or the intent to stay, is 45 days or less. (Examples include: staying with family and friends, tent cities and having spent a night in jail.)

Based on the definition, it was decided that the following kinds of people were not to be considered homeless: battered women living in shelters for battered women; people who lose their jobs because of cyclical reasons/traditional plant closings, etc., and move into relatives'/friends' homes for the time that they are unemployed, understanding that their jobs may be regained at some future date; people living in shacks on property that they own; and travelers who, because of a lack of money, are forced to accept shelter for the night, but who have come from a permanent home and are going to a permanent home. Further, it was necessary to put a cap on length of stay, or intent to stay, in categories three and four to discriminate between people who move in and out of those settings and those who tended to be there more permanently.

This operational definition was responsive to the needs of the research in three ways. First, it established the basic criteria to be met by respondents in order to be included in the study. The first two questions of the Homeless Person Survey Instrument, which enabled interviewers to screen potential respondents for inclusion in the study, are based on the above definition. Second, by expanding the definition of homelessness to include a range of living conditions, it was also possible to increase the variability of responses to other questionnaire items. Finally, the definition was a meaningful way to define subgroups of homeless people about which differential problems and/or needs were discovered. In fact, the sampling plan for the homeless person survey discussed in a later

section of this report stratified on the dimensions identified in the operational definition to assure that differences between the groups would be detected if they existed.

Mental Health Status. Because of the key nature of this concept to study objectives, considerable thought was given to its definition and operationalization. Prior studies of the prevalence of psychiatric disorders in general populations, however, were not particularly helpful in the definitional effort.

These difficulties notwithstanding, decisions had to be made about how to define and measure mental health status. A fairly traditional approach was used in the study from the standpoint that mental status was viewed principally within a "symptom" framework. That is, mental illness was defined as the presence of symptoms along dimensions the literature identified as associated with psychiatric problems. Conversely, mental health was viewed as being symptom free. The Psychiatric Status Schedule (to be discussed in more detail in the Instrumentation Section) was chosen to operationalize our definition.

Sampling Plan and Data Collection Activities

The study contained four data collection activities which required attention to a sampling plan: the Key Informant Survey, the Homeless Person Survey, the Community Mental Health Agency Survey and the State Psychiatric Hospital Survey.

Key Informant Survey

Within each of the five data collection regions a sample of key informants was interviewed by telephone or, if necessary, in person. The first step in choosing a sample of people to be interviewed was to identify a pool of informed individuals who could help the Regional Coordinators locate potential key informants or serve as informants themselves. To assure a wide variety of respondents, Regional Coordinators made contact with someone in a position of authority in each of at least ten service/agency categories (if they existed) within each of the sample counties. In the final selection of key informants, an attempt was made to have the group be representative of as wide a variety of service/agency categories as possible. Additional key informants were interviewed throughout the project, especially in rural areas, as necessary to identify more sources of homeless people to interview. In all, a total of 164 key informants in nine service/agency categories were interviewed.

Homeless Person Survey

The purpose of the survey of homeless persons was to develop descriptive data about the urban and non-urban population of homeless people in Ohio. While it was impossible to utilize a random sample plan which was truly representative in the strictest research terms, the study attempted to construct a sample which could claim good representativeness of the state, as well as solid representation of both non-urban and urban homelessness. In designing the sampling plan, care was taken to assure that individuals throughout the state would be included, and that the sample would contain individuals from both urban and non-urban areas. The first step involved dividing Ohio's 88 counties into five geographic regions. While the five state regions are roughly equivalent in geographic area, there is considerable variation in the population of these regions. Interview quotas were initially established for each region, giving consideration to both the relative proportion of the population and possible regional variability.

Sampling Counties. Within each region, four counties were selected for inclusion in the study. The county containing the major urban center was automatically included.

The other three counties in each region were selected according to the Ohio Department of Health's schema, based on census data, for classifying counties into three categories: urban, mixed, and rural. One county of the mixed type was selected, by using a random numbers table, from all counties of this type in the region. Two counties in the rural category were similarly selected from all rural counties in each region.

Twenty Ohio counties were included in the initial sample, four from each of the five designated regions. Four of those counties were clearly urbanized. (The Southeast Region does not have a county with a large enough city to qualify as being urban according to the Ohio Department of Health schema.) Six counties were mixed (two in the Southeast region), and ten were rural.

The number of interviews to be obtained within each region was distributed among the four counties proportionate to their population. A revision was made, however, to elevate the sampling in rural areas such that no fewer than 25 interviews would be obtained from any given county.

Stratification of the Homeless Sample. For sampling purposes, homeless people were stratified according to their level of homeless condition. (These levels are described in detail in an earlier section of this report entitled "Definition of Terms".) It is acknowledged that these levels are not necessarily static; individuals change their homeless condition due to seasonal and other variations. For the purposes of this study, and to facilitate sampling procedures, the homeless individual was categorized as to where he/she slept last night. If the person had become homeless exactly on the day of the interview, his/her homeless condition was categorized as to where he/she would sleep the coming night.

The original sampling plan was the same for all counties, i.e., using the four-level definition of homeless condition, divide the total county sample quota by four, and attempt to get one-fourth of the total county sample in each level. Interview sites were to be varied, and random procedures were to be used as much as possible. Intermediaries were to be avoided. Changes in the sampling plan had to be made as the realities of such a large-scale data collection effort became apparent.

Mixed and Rural Counties. Work with key informants indicated that there were not large enough numbers of homeless persons in the mixed and rural counties to follow the sampling plan. The research team decided, therefore, to try to interview the total population of homeless persons identified in the mixed and rural counties, regardless of their level of homelessness. This was necessary in order to reach the minimum quota of 25 interviews per county. Because of the difficulty in finding homeless people in the mixed and rural counties (especially for interviewers not indigenous to the county), key informants and other community people were recruited as contacts to notify project staff as homeless people were identified in their counties.

Urban Counties. Interviewing approximately equal numbers of homeless people in the four levels turned out to be relatively easy. Sites were identified where homeless people could be found in each level of the definition of homeless condition. From these identified sites, some were randomly chosen for interviewing homeless people. However, in some cities, there were not enough different sites at which homeless people could be found for interviews, and thus, some sites had to be "re-cycled". No more than five homeless people were interviewed at a time at one particular site.

In the cities, interviewing began in the shelters. This was thought necessary because it was still wintertime, and some shelters close in late spring. We wanted to be sure to

reach our quota of shelter occupants. Also, it was felt that the shelter population was the most easily accessible and would afford the interviewers a chance for success, i.e., getting interviews early on in the project, thus heightening their interest in the whole interview process. Subjects were chosen in as random a fashion as possible.

Sampling Problems and Changes Made. In the later stages of the data collection effort, it became evident that sampling quotas would not be met in some of the mixed and rural counties. Homeless people in sufficient numbers to satisfy the established quotas just were not there, or we could not locate them. In order to maintain the regional quota of interviews, therefore, unobtainable interviews in the mixed and rural counties were reallocated to the urban county where we knew that additional interviews could be completed. However, in the Southeast Region, there was no real urban county to which we could reallocate the unmet quota of rural/mixed interviews. It was thus decided to select another urban area, Mahoning County, as a place to reallocate the remaining Southeast Region interviews. These interviews are considered part of the urban sample, however, for data analysis purposes, and Mahoning County has its own report in the series of regional reports.

Methodological Concerns. In all research projects there are methodological issues which require the use of judgment. In some instances there is no clearly right or wrong way to proceed, merely a choice with various implications and limitations. In other cases there are ways to accomplish a task which are standard scientific practice. However, if those methods are not feasible, a best alternative must be used. This was the situation the research team faced in devising a sampling plan for the highly mobile homeless population. Therefore, the following cautions are offered regarding the generalizability of the sample.

The most important issue of concern is the representativeness of the sample, since randomization (the best methodology) was not entirely feasible. Textbooks in research suggest that "the term representativeness has no precise meaning" (Babbie, 1983). To some, representative means the sample has the aggregate characteristics which closely approximate those of the proposed population. Others will only use the term representative when the sample has been drawn using probability techniques. However, it is important to remember that even with probability methods, a perfectly representative sample is seldom obtained. Although we were limited in our ability to use a totally random process, random procedures were used whenever possible, as in the selection of the sampling sites, and the selection of individuals within the sites where more than a few homeless people were gathered.

Purposive processes were used to generate the lists of areas where homeless people might be found. In settings like diners, parks, public buildings, etc., homeless people were selected by encounter and willingness to be engaged. In these situations, random methods were not feasible. To further protect the study from bias, interviewers kept log sheets of all encounters, documenting the characteristics of those who refused to be interviewed or were incapable of being interviewed. This information was subsequently used to assess whether those refusing to be interviewed were significantly different from those in the sample.

The use of the careful purposive methods, the information of key informants, the contact log records, and randomization when possible, provide support for the claim of representativeness of the samples in each urban county. In the non-urban counties, the project staff tried to interview every identified homeless person and thus feel this sample comes close to being the population of homeless people in the mixed and rural counties sampled.

Community Mental Health Agency Survey

The sample included all individuals discharged from state psychiatric hospitals during Fiscal Year 1982 and Fiscal Year 1983 who were residents of the twenty selected counties. It was estimated that the sample represented approximately 48 percent of the total pool of the unduplicated count of persons discharged from state psychiatric hospitals in the State of Ohio during that period. Community mental health agencies in the twenty sample counties were asked to identify from computer-generated lists of discharged clients those who were on their active files, as well as those who were known to have been homeless at any time following their discharge from the hospital.

In the four major urban counties where the county area is covered by a large number of mental health agencies, the Community Mental Health Boards assisted in the identification of the clients discharged by community service area, utilizing their computerized information systems.

State Psychiatric Hospital Survey

All patients admitted during the interval from March 15 to September 14, 1984 were evaluated by hospital social workers with regard to their housing status within ten days after admission. Only direct admissions to state psychiatric hospitals were evaluated, including those of persons referred by the courts and law enforcement agencies (in which case the housing status might have been ascertained from the documents provided by the referral source).

Information concerning the identity of the homeless patients admitted and their homeless condition was collected and forwarded by each hospital on a monthly basis using the data collection instrument developed for this study.

Instrumentation Design

Key Informant Survey Instrument

Items chosen for inclusion in this questionnaire came from a variety of sources including already developed survey instruments used in other research studies on homelessness. The questionnaire contained three sections. Section one attempted to measure the informants' attitudes and perceptions about the homeless population, i.e., demographics, factors associated with homelessness, problems experienced by homeless persons, community services needed by this population and the degree of effectiveness of those services provided to homeless persons in their area. Section two provided a description of where homeless persons could be located, methods of approach, safety factors and names of other potential informants. These responses were especially helpful to the Regional and Field Coordinators as they made preparations to organize their interviewers for the Homeless Person Survey phase of the project. Section three, the Post Mortem, reflected the Coordinators' perceptions of the key informants being interviewed and was completed after each interview had been terminated.

The Homeless Person Field Survey Instrument Package

The final version of the Homeless Person Survey Instrument is a combination of items created especially for this study and existing items from scales used in psychiatric epidemiological research. The instrument underwent several reviews and revisions by project staff and experts knowledgeable about homeless people, and was pretested with homeless people in various parts of the state.

A number of problems/constraints influenced deliberations about the form and content of the Homeless Person Survey instrument. First, the instrument had to minimize both the clinical demands of the interviewer and the response demands of the interviewee. As it was not possible to engage trained clinicians to interview 1000 people, principally because of cost prohibitions, the instrument could not include a psychiatric assessment that required such training. Also, the instrument needed to be simply worded, with relatively uncomplicated response sets, so that respondents could be engaged and held in an interview through its completion without it being a difficult or intrusive experience.

Second, it was critical that the instrument be able to assess psychiatric impairment and risk and that the scales used be validated and compatible with other general population research studies. The establishment of the prevalence of mental health disorder in this group requires that some comparison be made, either against a norm or against a contrast group of people. It was therefore necessary to focus on scales that had been used in prior epidemiological work to assure that such comparisons could be made.

Finally, the form and format of the interview schedule had to be adaptable to the generally non-clinical nature of the interview environment. Since our data collection plan required that homeless people be engaged in a variety of settings, some accommodating to interviews and some not, careful attention was given to the layout of questions, response sets and the construction of the instrument as used in the field.

Section I: Demographic and Life Experience Information. The first 56 questions in the interview schedule represent our efforts to understand various characteristics and experiences of homeless people. The topics covered are fairly broad and include such things as living arrangements, reason for being homeless, transience, use of social services or mental hospitals, employment history, medical concerns, social support and general well-being.

The development of items used in this section was an iterative process. We began with an extensive review of instruments that had been used in prior homeless studies. From that review, a pool of questions was generated and reviewed by research staff. The resulting reduced-item pool was then pre-tested on some homeless respondents to assess clarity and appropriateness. More review followed, with special attention paid to response structure and to interviewer "patter", that is, the script that was to be followed by the interviewer as he/she conducted the interview.

A second pre-test was completed which resulted in more modification. The number of items was reduced because of the lengthy nature of the interview and the response structure to certain items was changed. We decided that for some questions, the interviewer would not read the range of responses, but would rather circle the appropriate response based on the respondent's reply. For other questions, the range of responses was read to the respondent.

Section II. Psychiatric Status Schedule. A broad range of existing psychiatric assessment scales was reviewed during our deliberations about how best to assess mental status within the logistical and manpower constraints mentioned above. It was determined that the Psychiatric Status Schedule (PSS), developed by Robert Spitzer and his colleagues (1970), was our best choice given the tradeoffs that had to be made. The strengths of the PSS include: (1) a reasonably straightforward interview format that is structured to elicit information in an even, flowing way; (2) while structured, the interview is sufficiently flexible to facilitate establishing rapport; (3) items are nontechnical descriptions of small units of overt behavior, thus minimizing the need for extensive clinical inference; (4) symptoms/behavior coverage is broad; (5) psychometric properties have been established;

(6) extensive training materials are available, and (7) it has been used in other epidemiologic studies. In addition the PSS has been used by researchers in Ohio both in a large client tracking study and in a study assessing the impact of case management on aftercare clients, so that current Ohio norms are also available for comparison.

The full PSS has 321 items which are scored as true or false depending on the presence of the behavior indicated by a particular item. When scored, the instrument yields 17 first-level symptom scores, six first-level role scales, four second-level summary symptom scales and one summary role scale. The scales are simply sums across items with a weighting scheme included to indicate the differential impact of certain behaviors or characteristics on the symptom dimension.

During the course of instrument development we decided that, while the PSS would work well with homeless respondents from the standpoint of understandability, it would be likely that the interview would be too long. We therefore made the decision to use selected scales rather than the full PSS. The scales used were: 1) Depression-Anxiety; 2) Suicide-Self-Mutilation; 3) Speech Disorganization; 4) Inappropriate Affect, Appearance, Behavior; 5) Agitation-Excitement; 6) Interview Belligerence-Negativism; 7) Disorientation-Memory Impairment; 8) Retardation-Lack of Emotion; 9) Grandiosity; and 10) Suspicion-Persecutions-Hallucinations.

Our choice of scales was based on a couple of considerations. First, we wanted to measure dimensions that could be considered as indicators of deviant or different behavior, e.g. inappropriate affect, interview belligerence, agitation-excitement, speech disorganization, etc. Second, we wanted to use scales that were, in fact, proven indicators of subjective distress and reality testing. Researchers using the PSS have identified four scales (Retardation-Lack of Emotion, Suspicion-Persecutions-Hallucinations, Depression-Anxiety and Suicide-Self-mutilation) that were quite successful in discriminating between people who had demonstrated need for mental health services and people in the general community who had not demonstrated such need. Other researchers also contend that the PSS measures of delusions and hallucinations, suicidal tendencies and depression-anxiety can be used in epidemiologic research. Thus, ten scales in all were included in the PSS section to measure the subjective distress, reality testing and behavioral disturbance of homeless respondents.

We recognized that the above choices we made about psychiatric status instrumentation and measurement would place some limitations on study results. Probably the most important of these limitations was our inability to actually identify "cases", that is, to identify whether or not a respondent could be diagnosed as having a specific mental illness or problem. Being a case is generally thought to be a product of symptom configuration that must be assessed through a validated diagnostic instrument or through a clinical assessment performed by a licensed mental health practitioner. While the PSS was designed to yield a clinical diagnosis through the use of a computerized scoring program, our decision to use selected scales made computer scoring an impossibility. Also, the diagnosis generated by such scoring is based on outdated DSM-II criteria.

Our inability to identify cases, however, did not preclude our capacity to make some very important statements about symptom presence and prevalence among homeless people using PSS scores. First, we were able to describe symptom distributions in some detail on the domains measured. Also, by using cut-off scores established in previous work done with the PSS, we were able to identify and classify cases according to their clinical severity. Finally, our data permitted us to examine the relationship between psychiatric symptoms and various experiences, conditions and resources of homeless people.

Section III. Interview Post-Mortem. This section of the questionnaire contains items that are completed after the interview by the interviewers. These items are straightforward in content and include such things as one PSS item (shaking hands), county and region where the interview occurred, respondent characteristics (sex, ethnicity), and an assessment of the accuracy of respondent's answers.

Contact Log

In order to better understand the characteristics of the total sample of homeless persons contacted to participate in the study, it was necessary to find out as much as possible about those subjects who refused to be interviewed or who began the interview but subsequently refused to continue or were unable to complete it. Therefore, a one-page, 18-question log sheet was developed to record contacts with respondents who either (1) refused to be interviewed, (2) were screened out of the interview sample because they did not meet our definition of homeless, or (3) were unable to be interviewed at the time of contact. Interviewers filled out a log sheet whenever one of those three situations occurred. The questions addressed subject physical characteristics and overt behaviors.

A total of 172 contacts were made (72% in the afternoon or evening) that did not result in an interview taking place. Of those contacts, 65 (38%) were screened out as not meeting the criteria for being homeless. The remaining 107 people approached (62%) either refused to be interviewed or were unable (for a variety of reasons) to be interviewed. Of those who refused or were unable to be interviewed, 78 percent were men and 66 percent were white. Over one-half were between the age of 30 and 65. A little over one-half of them were described as having unkempt, tangled hair and clothes that were dirty or in disarray. On the whole, this group was not judged by the interviewers as being menacing, argumentative or sarcastic towards the interviewer. Twenty-eight percent were described by the interviewers as being drunk, mentally retarded or seriously mentally ill.

Mental Health Agency Survey Instrument

A brief data collection instrument was developed to collect information about individuals discharged from state psychiatric hospitals who were identified as homeless by community mental health agencies in the selected areas. The information collected through this instrument contains data for client identification (name and hospital identification number), the homeless condition category and a brief description of the homeless condition.

State Psychiatric Hospital Survey Instrument

An instrument was developed to collect monthly information about individuals identified as homeless after admission to state psychiatric hospitals. In addition to the information included in the previously mentioned instrument (patient identification data, homeless condition category, and the description of homeless condition), this instrument also contains information about the total number of admissions evaluated by the hospital and the total number of patients identified as homeless during the month.

Interviewer Training and Approach Techniques

To assure the careful and consistent use of the survey instrument, procedures for the selection and training of interviewers were developed. In each area of the state, regional coordinators selected a cadre of interviewers. Most of the interviewers were from the major urban counties where the majority of interviews were to be conducted, however local interviewers were used in some of the mixed and rural counties. Interviewers were

selected for their ability to engage subjects, be comfortable in places where homeless persons could be found, develop rapport with the subjects and carry out the interview format. All interviewers had a bachelor's degree, and most had education and experience in the social sciences. They also were made up of both men women, people in young and middle adulthood, and those representing white and minority racial groups. In all, 42 interviewers were used.

An extensive training manual was prepared, and a four-hour training session was conducted in each region by the Project Coordinator and a training team. One member of the team had had extensive experience in use of the Psychiatric Status Schedule in previous research.

Training content covered techniques for approaching homeless people in street settings, shelters, community kitchens, and public facilities; engagement strategies; standard responses to most anticipated questions and ways to interpret and probe in the course of the interview. Interviewers were also given careful instructions on safety precautions, ethical considerations of confidentiality and informed consent, and legal considerations around revelations of criminal behavior, particularly child abuse. In addition, interviewers were given information about referral agencies for persons who had severe mental or physical health care needs or appeared suicidal.

Interviewers also watched a role-play of a typical interview, with specific attention to the Psychiatric Status Schedule of the instrument. This helped interviewers to understand problematic responses which might be anticipated.

Interviewers were instructed to select and approach homeless people in different ways in different settings. For example, while random selection was a major concern in shelters, identification and approach were easy since the circumstances clearly marked the potential subjects as homeless. On the other hand, deciding who was a homeless person and then engaging that individual in a public park or diner took quite a different technique. One could not assume people were homeless just because they had a certain appearance.

Interviewers were trained to be casual, sensitive, and kind in chatting with potential subjects, especially in environments where the subjects were not obviously identified as homeless people. They were told to slip into a conversation about where the prospective subject lived, etc.

In instances where there were many potential homeless subjects (in a soup line or in a shelter, for example) random procedures were used. For example, an interviewer in a shelter might approach every tenth sleeping mat and ask that particular person to participate in the interview. In rural areas, an attempt was made to engage and interview every homeless person that was identified. Once rapport had been established, it took approximately one hour to complete the formal interview instrument. Many subjects enjoyed the chance to express their feelings, and therefore many interviews took longer than one hour.

KEY INFORMANT SURVEY RESULTS

In our study we planned to locate Key Informants in each of the geographical areas in which personal interviews with homeless people were to be undertaken. Our procedure for selecting and interviewing Key Informants involved initial telephone contacts with those persons who ought to, by virtue of their position, have some knowledge of homeless people in their community. These included: soup kitchen operators, emergency shelter agency directors, clergy, mental health agency directors, social workers, law enforcement officers, and welfare agency workers. We also talked with bartenders, all-night laundromat operators, bus station managers, park rangers, health inspectors, postal workers, school bus drivers; in short, anyone who might encounter homeless people.

Several hundred Key Informants were contacted. Those having information of relevance to the project were asked to participate in a personal or telephone interview lasting anywhere from 30 minutes to one hour. Most initial Key Informant contacts were periodically followed up during the course of the study.

Completed Interviews

By the conclusion of the Key Informant Survey phase of the project, a total of 164 Key Informants, 83 (50.6%) from urban counties and 81 (49.4%) from non-urban counties, had been interviewed. Table K1 shows the breakdown of interviews by region and type of county. A relatively equal number of interviews was obtained in each of the regions, except for the Southeast Region, where only 15 (9.1%) interviews were obtained. This reflects the sparse population of the four sample counties in that region and the small numbers of people who work with or are knowledgeable about homeless people in their communities.

Table K1

Completed Key Informant Interviews by Region
and Type of County

REGION	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Northeast	28	33.7	17	21.0	45	27.4
Southeast	0	0.0	15	18.5	15	9.1
Central	23	27.7	17	21.0	40	24.4
Northwest	24	28.9	11	13.6	35	21.3
Southwest	8	9.6	21	25.9	29	17.7
Total	83	99.9	81	100.0	164	99.9

The 164 Key Informants who were interviewed were classified as working in one of nine agency/service categories: law enforcement, community chest, hospital emergency rooms, religious organizations (including the Salvation Army and Volunteers of America who operate shelters for homeless people), homeless agencies and shelters (non-religious), Mental Health Boards and agencies, Welfare and/or Children's Services, cheap hotels and motels, and other (bartenders, Health Department personnel, postal workers, etc.).

Overall, the largest group of Key Informants (29.3%) came from religious organizations, followed by Welfare and/or Children's Services (15.2%) and Community Chest (12.2%). This pattern is only slightly varied across regions. See Table K2.

Table K2
Completed Key Informant Interviews by Region and Service/Agency Category

SERVICE/AGENCY CATEGORY	NE		SE		C		NW		SW		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Law enforcement	3	6.7	1	6.7	4	10.0	4	11.4	0	0.0	12	7.3
Community chest	5	11.1	2	13.3	3	7.5	3	8.6	7	24.1	20	12.2
Hospital emergency rooms	0	0.0	1	6.7	4	10.0	1	2.9	1	3.5	7	4.3
Religious organizations*	17	37.8	5	33.3	7	17.5	15	42.9	4	13.8	48	29.3
Homeless agencies (non-religious)	2	4.4	0	0.0	3	7.5	0	0.0	2	6.9	7	4.3
Mental Health Boards/ agencies	4	8.9	2	13.3	4	10.0	5	14.3	4	13.8	19	11.6
Welfare/Children's services	7	15.5	3	20.0	6	15.0	4	11.4	5	17.2	25	15.2
Cheap hotels/motels	2	4.4	0	0.0	2	5.0	2	5.7	1	3.5	7	4.3
Other**	5	11.1	1	6.7	7	17.5	1	2.9	5	17.2	19	11.6
Total	45	99.9	15	100.0	40	100.0	35	100.1	29	100.0	164	100.1

* Includes shelters and missions operated by such groups as the Salvation Army, Volunteers of America, etc., and church-operated soup kitchens.
** Includes the media, group homes, health departments, battered women's shelters, and private homes.

There are differences when one looks at the types of Key Informants interviewed in urban counties versus those interviewed in non-urban counties. People who work with religious organizations represented (39.8%) of all Key Informants interviewed in the urban counties. This is a result of active church participation in the operation of soup kitchens and emergency shelters for homeless people in urban areas. The rest of the urban interviews were rather equally distributed between the other eight agency/service categories. In contrast, Welfare and/or Children's Services represented 22.2 percent of all Key Informant interviews in the non-urban counties, followed by religious organizations (18.5%), and Mental Health Boards and agencies (16.0%). See Table K3.

Table K3

Completed Key Informant Interviews by County
and Service/Agency Category

SERVICE/AGENCY CATEGORY	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Law enforcement	7	8.4	5	6.2	12	7.3
Community chest	9	10.8	11	13.6	20	12.2
Hospital emergency rooms	3	3.6	4	4.9	7	4.3
Religious organizations*	33	39.9	15	18.5	48	29.3
Homeless agencies (non-religious)	5	6.0	2	2.5	7	4.3
Mental Health Boards/agencies	6	7.2	13	16.0	19	11.6
Welfare/Children's services	7	8.4	18	22.2	25	15.2
Cheap hotels/motels	5	6.0	2	2.5	7	4.3
Other**	8	9.6	11	13.6	19	11.6
Total	83	99.9	81	100.0	164	100.1

* Includes shelters and missions operated by such groups as the Salvation Army, Volunteers of America, etc., and church-operated soup kitchens.

** Includes the media, group homes, health departments, battered women's shelters, and private homes.

Key Informant interviews solicited three kinds of information represented by the following questions:

1. What are the characteristics of homeless people and how prevalent is the problem of homelessness in the respondent's community?
2. What are the human service needs of homeless people and how well is the community (or agency) meeting these needs?
3. Where are homeless people to be found in the community and what is the best way to approach them in order to successfully complete an interview?

Characteristics of Homeless People

Few Key Informants with whom we spoke were able to authoritatively identify the characteristics of different types of homeless people and their prevalence in the community. In general, urban formal service providers not involved with direct client services to homeless people knew little about the homeless population. Most were surprised that their organizations would be asked about the problem. This was not so much the case with those in non-urban systems. Perhaps the large client loads and professional orientations of the urban Key Informants, as compared with the smaller client loads, fewer homeless people, and the personalized nature of services in the non-urban counties accounted for urban/non-urban differences.

Those directly involved in services to homeless people tended to focus in on a specific kind of problem/characteristic of only some groups, but not all. For example, service providers operating soup kitchens perceive the homeless population to be largely composed of transients, poor people, and an occasional unemployed person "at the end of his

rope". They do not see them as female single parents who have been abused and/or abandoned by their spouses. Because of this often limited perspective, their responses to the following questions, which asked for specific numbers and percentages, should be treated with caution.

Question: How many homeless people are there in your area?

When asked this question, almost one-fourth (24.3%) either said they did not know or did not answer the question. For those who answered, there was great variability, and responses ranged from zero homeless people to 10,000.

Question: How many homeless people were there in your community two years ago?

Again, the range of answers went from zero to 10,000 homeless people. However, 41 people (25.0%) said that they did not know the exact figure but that there were fewer homeless people two years ago than now. Another 29 people (17.7%) said they had no idea or did not answer the question. Only three people (1.8%) said that there are fewer homeless people in their area now than two years ago.

Question: What is the sex of homeless people?

Answers ranged from zero percent female to 100 percent female and, correspondingly 100 percent male to zero percent; and 15.8 percent said they did not know. Most respondents, though, felt there were greater percentages of males. Respondents' answers are affected by the type of agency they work in. For example, individual social workers working in non-urban county Welfare offices may say that all of the homeless people they know of are women with small children.

Question: What is the race of homeless people?

Most respondents indicated that homeless people in their area tended to be white. Only one respondent said that zero percent of the homeless population were white, while 21 respondents (12.8%) said that 100% of homeless people in their area were white. Almost 16 percent said that zero percent of the homeless population is Black, and 14.6 percent of the respondents said they did not know or did not answer the question.

Question: What is their age?

The response categories for this question were difficult to analyze, however, none of the respondents indicated that zero percent of homeless people were under the age of 30, in contrast to 21 respondents (12.8%) who said that zero percent of the homeless in their area were over the age of 65. Thirty-five of the respondents (21.3%) said they had no idea about the age ranges of homeless people.

Question: How many are employed?

Over one-third (35.4%) of the respondents said that zero percent of homeless people are employed. In contrast, one respondent said that 100 percent of homeless people in their area are employed. Thirty respondents (18.3%) said they did not know and/or did not answer the question.

Question: What is their educational level?

Because of the large number of response categories and unclear wording, it was not possible to correctly analyze the data. It was apparent, though, that most respondents thought that the majority of homeless people had at least some grammar schooling and that very few had been to college.

In summary, Key Informants tend not to be knowledgeable about the demographic characteristics of the homeless population. As might be expected, they perceive the overall phenomenon of homelessness primarily in terms of the groups of people with whom they work most directly.

Human Service Needs of Homeless Persons and the Effectiveness of Community Programs to Meet These Needs.

Key informants were more adept at identifying many of the major problems experienced by homeless people and their human service needs than they were at identifying their demographic characteristics. Many appeared knowledgeable about what services were already available in their respective communities and the effectiveness of those services. Below are their responses to questions dealing with reasons for homelessness, the major problems and service needs of homeless people, and how their communities can make existing services more effective in meeting the needs of homeless people.

Question: In your opinion, what are the major reasons why people are homeless in your area?

Central Region. A variety of reasons were listed as being the major reasons for homelessness, although economic factors were most often cited. In Franklin County, the majority of Key Informants suggested unemployment as a major reason for homelessness, especially for homeless families, and particularly those headed by women. Other closely related causes for homelessness of families is family violence and inadequate benefits resulting in evictions.

Deinstitutionalization and other mental health problems were mentioned by about one fourth of the respondents, but a less definitive mental health diagnosis was noted by more than half of the respondents, i.e., inadequate social adjustment and personality disorders. These homeless people were described as unable to cope with the demands of daily living, unable to find out about services and benefits for which they were eligible, and lacking in self-esteem and hope. Less often named as a cause was substance abuse. About one-fifth of the respondents noted alcohol as a reason why people are homeless.

In the three non-urban counties of the Central Region, economic factors were most often cited as the major reason for homelessness. These factors include unemployment, underemployment, financial need, and the inability to pay high rents. The next most often cited factors were those related to the family, i.e., family conflict, lack of family support, and inability to cope with family stress. A few Key Informants also noted lack of training/education, poor coping/social skills, transience, mental and physical handicaps, releases from Veteran's Administration hospitals, and alcohol abuse.

Southwest Region. No one reason was cited more often than others as being the major reason for homelessness in Hamilton County. The variety of responses given by Key Informants included poor family support, lack of social and living skills, insufficient low-cost housing, disaster, drug and alcohol problems, mental health problems, and deinstitutionalization.

Economic factors were cited by the vast majority of Key Informants in the non-urban counties as the major reason for homelessness. The next most cited reason was the lack of low-cost and/or public housing. Inappropriate social/living skills and transient life style were also frequently cited.

Southeast Region. As was the case in the Southwest and Central Regions' non-urban counties, Key Informants in the Southeast Region cited economic factors/unemployment as the major reasons people are homeless in their areas. Transiency and family trauma were also listed by five Key Informants (33%) as a major reason for homelessness. Two informants said that homeless people in their area are homeless because "that's the lifestyle they want."

Northwest Region. In Lucas County the majority of Key Informants cited deinstitutionalization as the major reason why people are homeless. Other major factors cited were economic problems, especially unemployment, alcohol or drug involvement, lack of affordable housing, shunning by family and friends, lack of public shelter, eviction, inability to penetrate the service network, lack of advocacy, and chosen lifestyle for some.

Again, in the non-urban counties, economic factors including unemployment, high rents, and eviction were listed as the major reason for homelessness. Transiency, alcohol abuse, and deinstitutionalization were also mentioned.

Northeast Region. In Cuyahoga County many factors were identified as reasons for homelessness, including termination of government benefits, reductions in benefit amounts, tightening of welfare policies, Reaganomics, and the idea that government benefits were "too low". In this regard, general relief was most often identified. Underemployment was identified as well as unemployment. Other reasons given included: utility cut-offs, not enough caring people, unavailability of low income housing, inability to cope, poor education, eccentricity, and poor money management. Overall, there seemed to be the sense that most respondents blamed "society", the "government", or the "social structure" for homelessness. According to the responses by most Key Informants, primary culpability seems to lie with systems outside the homeless person.

Only one reference was made to transiency, and in the context of "mentally disturbed people are attracted to this area because of the many churches and centers for the homeless". Otherwise, "transience" was not considered to be a reason for homelessness in Cuyahoga County.

The respondents in the non-urban counties cited transiency, economic factors and family problems as the major reasons for homelessness in their counties. However, many respondents made a distinction between transient homeless people and local homeless people.

The major reason given for transient people's homelessness was that they are "vagabonds," while local homeless people are homeless due to many outside factors, i.e., termination of government benefits, family conflict, eviction or lay-offs.

Question: How important do you feel the following factors are in contributing to homelessness in your area?

Respondents were then asked to rate several factors on a scale of 1 to 4, with 1 being extremely important. Unemployment (mean=1.6) was identified as the most important reason, followed by family conflict (mean=1.9). The results of these overall ratings by

Key Informants are parallel to responses given by them to the preceding question, which asked their opinion about the major reasons why people are homeless. See Table K4.

Table K4

"How important do you feel the following factors are
in contributing to homelessness in your area?"
(N=164)

FACTORS	Mean	Number of Respondents	% of Total
Unemployment	1.6	155	94.5
Family conflict	1.9	155	94.5
Alcohol/drug abuse	2.0	152	92.7
Psychological disorder	2.2	154	93.9
Eviction	2.2	153	93.3
High rents	2.2	152	92.7
Deinstitutionalization	2.2	150	91.5
Government benefits stopped	2.3	148	90.2
Transience as chosen life style	2.7	149	90.9
Uninhabitable home	2.9	145	88.4
Disaster	3.3	154	93.9

Scale

1 = extremely important	3 = not important
2 = important	4 = not at all important

Question: In your opinion what are the major problems experienced by homeless persons in your area?

Central Region. By and large, most of the Franklin County Key Informants identified the homeless person's loss of self-esteem, self-contempt, depression, fear and overall low functioning as his/her major problem. Most also noted physical health care needs and need for basic shelter. Other problems, each noted by about one-fourth of the informants, included safety, jobs, and mental health problems. Key Informants working more with family evictions and directly with housing noted the problem of having to split up the family in order provide shelter.

In the non-urban counties, the problems most often cited were finding housing, getting medical care and finding jobs. Informants noted that rents had increased in Union County since the Honda Plant was built. Some Key Informants also cited the need for a community sensitive to the needs of homeless people and a coordinated effort to supply basic necessities, perhaps through an improved welfare system.

Southwest Region. In Hamilton County a wide variety of problems were cited including day-to-day survival (finding shelter and food), lack of adequate alcohol abuse and medical treatment, alienation from meaningful relationships and poor coping skills, including lack of awareness of available resources. Insufficient affordable housing was also cited.

In the non-urban counties the major problems cited were economic factors, i.e., inability to pay utility bills, ineligibility for government programs because of no permanent

address, inability to pay high rents and the lack of emergency housing. The next most noted problems centered on the homeless person's feelings of worthlessness, depression and overall lack of family support and alienation from others. Poor coping skills were also mentioned, as was the problem of not having anything to do with one's time. Finally, one respondent mentioned the problem with the public's attitude, i.e., "get the homeless out of our town."

Southeast Region. Key Informants overwhelmingly noted that lack of the "basics" and not having enough resources (income, people to turn to, access to programs) were the major problems experienced by homeless people in their area. Lack of transportation, no emergency assistance, community attitudes (the idea that homeless people should be able to "pull themselves up by their bootstraps"), lack of affordable housing and the general lack of facilities in small communities were also mentioned.

Northwest Region. When asked about the major problems faced by homeless people in Lucas County, most Key Informants, as in other regions, cited survival--finding shelter, food and heat. In addition, they mentioned the problem of inaccessibility to services without having a permanent address, health problems, the need for a bath and access to public facilities, case management, and advocacy. One Key Informant mentioned the problem that homeless people are more prone to be victims of crime than perpetrators.

In the non-urban counties of the region the lack of transportation was cited as a problem. This is also a problem that has been mentioned in other non-urban counties. Additionally, problems such as financial and legal assistance were noted, as well as the lack of food and medical treatment.

Northeast Region. In Cuyahoga County the respondents seemed to feel that the major problems of homeless persons bore a close relationship to the reasons they were homeless. Lack of low income housing, jobs, long-term shelters, early release from hospitals, and lack of incentives were all cited. Psychological problems such as depression, psychosis, and emotional difficulties also ranked high on the list. Dehumanization of "the system" was indicated, as some homeless persons are said to be unprepared for community living due to rapid deinstitutionalization, loss of citizen rights, lack of skills, and the inability to handle money. In one case, short-term shelters were labeled a problem because "people can't get it together in so little time."

As mentioned elsewhere, the lack of an address, necessary to obtain welfare benefits, was mentioned to be a problem for some homeless people in the non-urban counties. Emotional problems came up also, such as depression, anxiety, confusion and the feeling of not knowing where one's next meal is coming from or where one is going to sleep. Key Informants also mentioned the problems of alcohol, medical problems and negative community attitudes towards homeless people.

Question: In your opinion, what percent of the homeless population in your area experience the following problems?

Key Informants were asked to give their opinion about what percent of homeless people suffer from acute physical problems, chronic health problems, psychological problems, and alcohol and drug abuse. There was an extremely wide range of responses from Key Informants--in some cases from zero percent to 100 percent--on all items. Psychological problems were given the highest occurring rates (median=60%) followed by alcohol abuse (median=40%). See Table K5.

Table K5

"In your opinion, what percent of the homeless people in your area experience the following problems?"
(N=164)

PROBLEM	Percentage Range	Median	Respondents	
			No.	% of Total
Psychological problems	2% - 100%	60%	133	81.1
Alcohol abuse	0% - 90%	40%	134	81.7
Chronic health problems	0% - 100%	35%	129	78.7
Drug abuse	0% - 80%	25%	124	75.6
Acute physical problems	0% - 100%	20%	128	78.0

Question: What do you personally feel are the most needed services for homeless persons in your area?

Southwest Region. Affordable housing and emergency shelters were the most frequently cited needed services in Hamilton County. One Key Informant mentioned a system of "getting rental vouchers from Welfare so people don't need a fixed address." Two other informants noted a need for case management in order to assist people in finding community resources.

By far the most frequently needed service cited by Key Informants in the non-urban counties was emergency shelters. The two next most frequently needed services were cheap housing and counseling and/or mental health centers. Three informants also mentioned the need for a central coordinating service agency to help homeless people.

Southeast Region. The "basics" (shelter, food and clothing) were cited by the majority of Key Informants in this region as being the most needed services. Emergency shelters, shelters for homeless women, and an adequate supply of affordable housing were stressed. Additionally, medical services, drug and alcohol rehabilitation, outreach follow-up of individuals released from psychiatric hospitals, and counseling were cited by a few.

Northeast Region. In terms of services most needed, Cuyahoga County Key Informants reported affordable housing, safe emergency shelters, food, medical and mental health services, better facilities, and increased income. However, there were several comments supporting a need for a centralized and better coordinated service network, a better referral network, a resource bank, and outreach programs. Commitment by agencies to serving homeless people was said to be needed, as well as caring adults in the community. Most often, indications for increased services were coupled with allocation of responsibility for funding to the federal government.

A wide variety of services were mentioned in the non-urban counties. In one county, organization--"someone assigned specifically to aid the homeless"--and advocacy were suggested. In other words, the need was for a human service system, not a building or program. Other respondents mentioned job assistance, mental health services, vocational training, counseling, transportation, and as always, more affordable housing.

Northwest Region. Lucas County respondents noted a need for many of the services identified in other regions, i.e., shelter, health and medical care, counseling, advocacy,

case management, and jobs. One person cited "protection from their own naivete." Another mentioned friendship.

Non-urban county respondents uniformly suggested public sleeping shelters or missions and economic aid in the form of money, lower rents, and lower utilities.

Central Region. Most Franklin County respondents discussed the enormity of the problem and the difficulty of giving a comprehensive solution. One said, "too big a problem—can't get a grip on it". A few respondents provided broad-based solutions which include a continuum of shelter care from "mattress warehouses" to low cost permanent housing with comprehensive human services, coordinated across types of service and levels of human need. Stressing the multiplicity of the problems of homeless people and the varieties of their needs, many emphasized integration of mental, physical and substance abuse health care services offered in a secure environment before, or as a foundation to, education and job counseling to cure unemployment problems. Key Informants also identified the city's relatively small component of low cost housing as a problem and stressed that homeless people need affordable housing, adequate income supports and, where these have failed, they need shelters. Where families are concerned, each of these resources was indicated to be in shorter supply and a pressing community need.

Key Informants in the non-urban counties of the Central Region had similar responses to other non-urban county respondents. Most often mentioned were emergency shelters and low-cost housing. Also cited were 24-hour referral services, social services to re-establish family connections, and emergency services provided by an aware, caring community.

When synthesizing what Key Informants cited as being the major service needs of homeless people, it is clear that emergency shelters and low-cost housing are viewed as the most pressing. Many respondents feel that without attending to this most basic need, other services will not have a maximum impact.

Question: In your opinion, how needed are the following services for homeless people in your area?

As a follow-up to the preceding question, Key Informants were asked to rate the need for the following services: soup kitchens/food pantries, shelters for homeless people, emergency rooms, mental health services, financial help, job-finding assistance, medical treatment and housing assistance. Shelters and housing assistance were rated the most needed. These ratings reinforce respondents' answers to the preceding question in which, overall, the provision of shelter/housing was perceived as the most needed service for homeless people. See Table K6.

Table K6

"In your opinion, how needed are the following services
for homeless persons in your area?"
(N=164)

SERVICES	Mean	Number of Respondents	% of Total
Shelters for homeless people	1.4	149	90.9
Housing assistance	1.4	148	90.2
Financial help	1.6	148	90.2
Soup kitchens/food pantries	1.7	150	91.5
Mental health services	1.7	146	89.0
Job-finding assistance	1.8	147	89.6
Medical treatment	1.8	146	89.0
Emergency room services	2.0	143	87.2

Scale

1 = very needed	3 = not needed
2 = needed	4 = not needed at all

Question: Are the following services now being provided to homeless people in your area?

Key Informants were asked to indicate if eight different social services were currently available to homeless people in their area by answering yes or no. See Table K7 for a listing of these services. While 75 percent of all respondents said soup kitchens/food pantries exist in their area, caution should be used in interpreting this percentage, as the two services are mutually exclusive. Each of the eight services was said to exist in their area by at least half of all respondents. Mental health services were cited as the most frequently provided service (82.3% of the respondents said yes), followed by emergency room services (75.6%).

Table K7

"Are the following services now being provided
to homeless people in your area?"
(N=164)

SERVICES	YES		NO		No Answer	
	No.	%	No.	%	No.	%
Mental health services	135	82.3	10	6.1	19	11.6
Emergency room services	124	75.6	18	11.0	22	13.4
Soup kitchens/food pantries	123	75.0	22	13.4	19	11.6
Medical treatment	106	64.6	35	21.3	23	14.0
Financial help	105	64.0	35	21.3	24	14.6
Job-finding assistance	96	58.5	42	25.6	26	15.9
Shelters for the homeless	95	57.9	51	31.1	18	11.0
Housing assistance	83	50.6	56	34.1	25	15.2

Question: How effective do you think these services are in meeting the needs of homeless people in your area?

After being asked whether or not specific services existed in their communities, Key Informants were then asked to rate the effectiveness of these services. On a scale of 1 to 4 (with 1 equal to very effective), Key Informants rated soup kitchens/food pantries (mean=1.9) as the most effective services for meeting the needs of homeless people, while job-finding (mean=3.3) and housing assistance (mean=3.2) were viewed as being the least effective. Those results should not be startling. It is easier and cheaper to provide food for people than to find jobs or low-cost housing that may not exist in a particular community. See Table K8.

Table K8

"How effective do you think these services are in meeting the needs of homeless people in your area?"
(N=164)

SERVICES	Mean	Number of Respondents	% of Total
Soup kitchens/food pantries	1.9	125	76.2
Emergency room services	2.4	117	71.3
Mental health services	2.5	127	77.4
Medical treatment	2.6	107	65.2
Shelters for the homeless	2.6	104	63.4
Financial help	2.9	114	69.5
Housing assistance	3.2	104	63.4
Job-finding assistance	3.3	113	68.9

Scale

1 = very effective	3 = not very effective
2 = effective	4 = not at all effective

Question: How could existing services be made more effective in meeting the needs of homeless people in your area?

Central Region. Comprehensive plans were suggested by Franklin County respondents. Some components which were identified by more than one respondent were: total community awareness and commitment, support from both public and private service sectors, increased cooperation between professional human service providers and grass roots service providers, integration of services, assessment and referral in shelters, and increased outreach to shelters and streets.

Many Key Informants stressed the need to increase the amount of low-cost housing available. Those who work primarily with family units again stressed the need for more services for families.

Many very knowledgeable Key Informants noted that the community must recognize that some percentage of homeless people are not rehabilitatable, but will need on-going care for their dependence either in institutions or in the community. An idea which emerged from a number of informants involved assessment and initiation of multiple services in the

shelter setting. Caseworkers should manage the advocacy and brokerage that links the individual to needed income, mental and physical health care, etc.

Key Informants in non-urban counties in the Central Region agree that services would improve with the provision of emergency assistance and shelter. For example, in one county the sheriff sends homeless people to the Welfare Department or the Salvation Army representative. Also, the system in all counties could be improved by having some central agency in charge of coordinated referral.

Northwest Region. In Lucas County, respondents suggested the following: loosening of eligibility standards and reducing red tape, inter-agency coordination, more staff at the Welfare Department, allowing people to get welfare without a permanent address, and longer open hours for social service agencies. Eviction usually occurs between 5:00 p.m. and 10:00 p.m., when agencies are closed.

Like many respondents in other non-urban counties, the Key Informants from Wood, Paulding, and Fulton counties mentioned the need for more centralized coordination among agencies that serve homeless people.

Northeast Region. Most Cuyahoga County Key Informants suggested increasing their funding and creating a single organization that "should take responsibility for providing help to the homeless". While there were many calls for increasing funding and centralized services, there was also a call for a reduction in government "red tape," reductions in salaries of "program sitters," and "restrictions on federal money." All of this seems to point to an expression of the need for greater control where it benefits homeless programs and persons. Many of the comments showed contempt for the inadequacy of existing services, "the free night at the _____ Hotel--compliments of the County--I wouldn't let my dog sleep there."

According to many non-urban respondents, making services more available, more attractive, and better known through the community are the chief ways of making services more effective for homeless people. An emphasis was placed on quality of service, i.e., proper funding, decent counseling, and providing more individualized help. On one hand, respondents in one county consistently voiced concern over how to improve services without attracting "more homeless people to stay." On the other hand, there was an acknowledgement that "what's available isn't sufficient for the need." One respondent said that emergency housing assistance could be made more effective if there were more low-cost housing.

Southeast Region. The three most cited suggestions for improving existing services were more public education, central referral including increased inter-agency cooperation, and more services and facilities. Some respondents said that there was too much "overlapping" of programs; another said that existing programs just are not fully implemented. One respondent mentioned too many regulations and paper work.

Southwest Region. Hamilton County respondents mentioned better coordination among service providers as a way to improve existing services. Two respondents said that services probably could not get better as "homeless people can not/do not want to change their living situation." More resources for families and low-cost housing, especially for the elderly, were noted.

Non-urban respondents overwhelmingly mentioned the need for better coordination between agencies. Three said that professionals must take responsibility for their jobs. The provision of more shelters was also mentioned by a few.

Question: Is there a formal referral network among organizations in this county (area) for meeting the needs of homeless people? If yes, please explain. If no, how do you deal with homeless persons in your county (area)?

When asked if there was a formal referral network among organizations in their area for meeting the needs of homeless people, 42.1 percent said yes, 48.8 percent said no, and 17.1 percent either did not answer or did not answer the question. When their answers were analyzed in detail, it was determined that key informants characterize a community helping network as having a formal service provision and an informal caregiving component. Formal services were defined as 1) soup kitchens, emergency shelters, longer-term shelters, 2) program-specific services such as alcohol or drug abuse, mental health, employment services, etc., and 3) more comprehensive services such as Welfare, Salvation Army, Veterans Administration, etc. Informal caregiving included: family and relatives, private concerned-citizen activities (occasional meals and board, clothing, etc.), and homeless people self-help groups. The array of these services is primarily dependent on community size.

Non-Urban Systems. Non-urban key informants perceive their systems to be targeted almost exclusively to local homeless residents, as opposed to transients or outsiders. Transients or outsiders are usually encouraged, often by force, to move on to urban areas. This is accomplished by providing bus fare to the nearest city, arresting persons until deportation can be executed, "releasing" persons from public and private places, and offering or providing food, if any, helping services. Non-urban places are hostile to homeless outsiders.

By contrast, indigenous homeless people are treated much better. Family and friends assume most of the burden for taking care of these individuals. Often, this responsibility is shared by sheltering the person (or family) along from family to family as their "welcome" is exhausted. Where families are unable to meet the basic needs of homeless people, churches emerge, especially by providing food and clothing, and sometimes shelter or transportation. Importantly, churches also act as brokers for homeless people by finding ways to provide basic needs and, in some cases, jobs. There are no self-help groups among non-urban homeless people, primarily because of existing community support systems.

Formal service provision in non-urban areas is quite limited. The capacity of small populations to support comprehensive human service programs is not great. In non-urban areas, those agencies which are present in communities work on behalf of homeless people, even though it may not be a service they are required to provide. Welfare workers, public health inspectors, county sheriffs, Red Cross staff, United Way officials, and others, for example, may become aware of a homeless person who needs help. These service providers all have a highly developed informal network in which telephone calls are made to activate the system. Eventually someone in the network is able to resolve the problem or need. This system works because most of the service providers know one another and, importantly, in many cases also know the homeless person.

The formal and informal system configuration make it difficult for a homeless person to "fall through the cracks" in meeting basic human needs. The most significant problem faced by the system is that it does not have the full array of social or human service programs to treat specialized needs. The capacity to deal with mental health, alcohol and drug abuse, diagnostics and testing, children's and family's services, etc., are limited, although programs exist to some degree.

Urban Systems. Urban Key Informants perceive their systems as designed (or having evolved) to serve not only local people, but also transients and outsiders. In fact, both urban and non-urban Key Informants view urban areas as "catch basins" for outcasts from other urban areas and non-urban places.

Urban systems appear to Key Informants to have much less highly-developed informal caregiving networks. The absence of family ties and an eroded sense of community seems to inhibit the incubation of this kind of system. Ironically, whereas in the non-urban system, homeless person self-help groups are rare, quite the opposite is the case in urban environments. It is common for small groups of homeless people to travel and work together, and even more likely to act as sources of information about food, shelter, and jobs.

Urban systems are characterized by their complement of formal service agencies. Importantly, only a few of these are specifically targeted to meet the needs of the homeless population, either as their primary or secondary mission. Mental health centers, hospitals, housing offices, Welfare, employment services, and others see relatively few homeless people, either because of eligibility requirements (e.g., permanent address, residency, etc.) or because certain homeless people avoid or cannot deal with the formal system. In addition, few of these agencies have any outreach programs in place to attract homeless clients. Agency services are perceived by Key Informants to be targeted toward indigenous poor people or special client groups, neither of which typically includes homeless people.

Organizations which serve homeless people are perceived as more or less meeting basic needs such as food, shelter, and clothing, but as in non-urban areas, specialized problems are rarely dealt with. There appear to be few linkages between the comprehensive formal service providers and the homeless-specific programs. Key Informants in the comprehensive service field believe that their programs are not directly relevant to the homeless population as clients, and their caseloads of "traditional" clients already tax the system. Those working in programs for homeless people believe that linkages could be made, but that comprehensive service providers do not wish to make them. Homeless service providers often see themselves as working in a field where there exists a major problem, which is met with indifference by other service providers and the community generally. Others in the human service system seem to be perplexed about what to do about the problem, but more importantly, some appeared to be hostile toward homeless people as clients, and seemed to believe they were homeless by choice or through their own fault.

Mixed Systems. Mixed areas, those with small cities and large tracts of rural land, are thought of as falling somewhere between the extremes of a non-urban/urban continuum. The mixed system is large enough to have urban problems, but too small to create a fabric of services to comprehensively deal with them.

In the case of transients and outsiders, mixed systems are viewed by Key Informants as intermediate stops along the way to urban areas. Services are available for the needs of homeless people of this kind, unlike non-urban areas. Beyond this service, the mixed system tends to have some of the same problems in making connections between comprehensive services and those targeted toward homeless people.

Although formal service provision is not as grandiose in the mixed areas, it functions much like the urban formal systems. However, the informal system appears to be more like the non-urban: local people taking care of themselves.

Locating Homeless People and Approach Strategies

Key Informants were asked to identify potential sites where homeless people could be found and interviewed. The responses given by Key Informants varied according to whether they were from urban or non-urban counties, and according to whether they were directly involved in working with homeless people or not.

In the urban areas, most Key Informants suggested going to soup kitchens and emergency shelters to find homeless people (generally men). Many also gave the names of cheap hotels. It was indicated that many homeless women would most easily be located by going through a third party, i.e., Welfare/Children's Services or religious organizations. Most Key Informants in urban areas felt there would be no problem in locating homeless people to be interviewed.

Non-urban Key Informants were less optimistic about finding homeless people to be interviewed, some even insisting that homeless people do not exist in their counties. Homeless people would be hard to locate, they indicated, because they are more hidden (in a park, for example), do not congregate in groups (as in an urban soup kitchen), their numbers are small, and because many are often forced to leave the non-urban county to seek services in urban areas.

Key Informants not working directly with clients who are homeless proved to be of little assistance in locating homeless people, except in that they were able to provide generalized information about soup kitchens, city parks, emergency shelters, etc. Key Informants working with homeless groups, by contrast, were able to identify potential respondents receiving public services, but were less accurate in guiding interviewers to other sites not directly associated with their efforts. This finding suggests that most homeless people are or can be nearly invisible to much of the formal service system in communities, as may be the case with poor people generally.

Those cases where Key Informants were most helpful tended to be ones in which the Key Informant directed interviewers to someone else who knew where to find homeless people who were not obviously receiving public services such as sleeping at a shelter or standing in a line at a soup kitchen.

In general, with few exceptions, Key Informant responses eventually yielded a comprehensive list of sites at which homeless people might be found in each region. But, except for soup kitchens and emergency shelters, most of the sites yielded few numbers of interviews. All other interviews were completed with considerable effort on the part of interviewers.

As to approach strategies and safety considerations, most Key Informants indicated that homeless people are generally passive and not dangerous, and that foul language would be the most negative response. It was suggested that interviewers dress casually, offer cigarettes or a cup of coffee to potential respondents, and act professionally. However, it was suggested by some Key Informants that interviewers not press homeless people who appear to be resistant or hostile, and that interviewers should not carry much money on their person.

Summary/discussion

Key Informants were, by and large, unable to identify characteristics of the overall homeless population in their communities. Where they worked directly with segments of

the homeless population, they tended to generalize the characteristics of that subgroup to the whole. Reasons given for homelessness varied among regions of the state. Economic factors, such as unemployment and lack of low-cost housing, were cited in some regions but not others. Family problems, drug, alcohol, and mental health problems and deinstitutionalization were cited by some. When asked what percentage of homeless people in their areas experienced such things as physical, psychological or alcohol problems, Key Informants' responses often ranged from zero percent to 100 percent. Most saw shelter, housing, food, money and a variety of services as the major needs of homeless people.

In some regions of the state, Key Informants' descriptions of the causes of homelessness and the problems experienced by homeless people were consistent with the services they indicated were needed. In some regions, they were not. For some regions, there were also inconsistencies between what the Key Informants told us about the characteristics and problems of the homeless populations in their areas and what we found in the research. It seems clear that Key Informants and the broad human service systems in local communities could benefit from more specific information about homeless people in their areas in order to better address the problems of this population.

HOMELESS PERSON SURVEY -- STATEWIDE RESULTS

This section of the report deals with the results of face-to-face interviews with 979 homeless people. All interviewees did not answer every question. In some instances this was because the question was not asked, e.g. if the individual responded that he had always lived in his county, he was not asked the follow-up question "Where did you live before you came to this county?" Each table has a total at the bottom of the "Number" column of individuals eligible to answer that question, on which percentages of that item were calculated. In those instances, a column labeled "% of Total" is also provided, to indicate what percentage the individual line item represents of the total homeless group. In a few instances, interviewees did not know the answer or did not choose to answer particular questions. These are indicated as "No answer" in the last line of each table.

Interviews Completed

During a six-month period ending in August, 1984, a total of 979 face-to-face interviews was completed. Table S1 shows the number of interviews completed per region and per county within each region.

Of the five regions, four reached, or came very near reaching, their assigned regional quota of interviews. As was indicated earlier, this was accomplished in part through reallocation of unused rural interviews to the region's major urban center. Since the Southeast Region does not contain a major urban center, its unused rural interview quota was assigned to an urban area outside the region.

The very small number, or total lack, of interviews completed in some of the rural counties may be explained by a combination of factors. First, the quota of 25 interviews in rural/mixed counties was set artificially high in order to provide sufficient cases to be analyzed statistically. Second, according to key informants and actual "scouting" by field interviewers, there are probably some rural counties in which there are genuinely very few homeless people. Some of these counties may be unique situations, e.g. Holmes County contains one of the largest Amish populations in the United States. Third, we did not use enough interviewers who were indigenous to the rural counties. They probably would have been more successful in securing interviews than "outsiders".

Table S1
Interviews Completed
(N = 979)

Region and County	Number	%
Northeast Region	376	38.4
Cuyahoga	286	29.2
Ashland	13	1.3
Geauga	0	0.0
Holmes	0	0.0
Mahoning	77	7.9
Northwest Region	151	15.4
Lucas	133	13.6
Wood	11	1.1
Paulding	2	0.2
Fulton	5	0.5
Central Region	151	15.4
Franklin	112	11.4
Union	13	1.3
Wyandot	18	1.8
Pickaway	8	0.8
Southeast Region	55	5.6
Jefferson	30	3.1
Washington	7	0.7
Noble	8	0.8
Hocking	10	1.0
Southwest Region	246	25.1
Hamilton	182	18.6
Clermont	29	3.0
Brown	11	1.1
Logan	24	2.5

Demographics

The group of homeless people interviewed was 51 percent male and 49 percent female. This distribution is quite different from that of the overall Ohio population, which was 47.3 percent male and 52.7 percent female as of the 1988 Census. Migration accounted for one-third of the homeless population; in comparison, the Ohio population had 10.1 percent migration in the 1988 Census.

Homeless interviewees spanned a wide age range—from 18 to 84 years old, with the average age being 37 and the median age being 26. Homeless interviewees only approached those persons they thought were at least 18 years old. However, few individuals turned out to be below that age. They were retained as part of the sample. In some age groups, such as 45 to 49 and 50 to 54, the homeless population is proportionally similar to the overall Ohio population. However, the 18 to 24 age group and the group over 64 differ in their proportions from Ohio as a whole. Note: The Ohio population percentages in Table 52 were calculated using only individuals 18 years of age or older, in order to show the appropriate proportional comparison with the homeless sample, since the homeless sample was selected to be 18 years of age or older.

A little over half (54.8%) of the homeless group had not graduated from high school, compared to 32.1 percent in the overall Ohio population. However, 46.8 percent of the homeless group were at least high school graduates, and 14.5 percent had attended or had graduated from college. Note: The Ohio census data on education is computed on a base of persons 25 years old and over, so the comparison presented in Table 52 is of slightly different age groups.

Nearly half of the homeless respondents have never been married, and another 43.4 percent are either separated, widowed or divorced. These figures contrast dramatically with the overall Ohio population, in which 58.8 percent are married and only 12 percent are separated, widowed or divorced. Note: the Ohio census data on marital status is computed on a base of persons 15 years old and over, and these are the percentages reported in Table 52. The Census has only a category of "single", whereas our study has "never been married" and "living together".

Almost 12 percent of the homeless sample indicated that they were veterans, including 8.5 percent who said they were Vietnam veterans. In the overall Ohio population age 18 and over, 17.3 percent are veterans. However, some of the contrast in percentages between the two groups is a function of the fact that the homeless sample is 82 percent male, and males have a higher likelihood of having served in the military.

Respondents were asked if they had ever been in jail or prison. Fifty-eight percent indicated that they had, and 42.7 percent said they had not. No Census data is available for comparison.

Table S2
Demographics of the Homeless Sample, Compared to Ohio Population

CHARACTERISTIC	Homeless Sample Number	% of Total	Ohio % 1980 Census
SEX			
Male	793	81.0	47.2
Female	186	19.0	52.8
Total	979	100.0	100.0
ETHNICITY			
White	639	65.3	89.8
Black	292	29.8	9.2
Hispanic	33	3.4	0.9
Other	6	0.6	0.1
No answer	9	0.9	----
Total	979	100.0	100.0
AGE			
18 - 29 years	340	34.7	30.0
30 - 39 years	270	27.6	18.9
40 - 49 years	164	16.8	14.2
50 - 59 years	130	13.3	15.2
60 years and over	63	6.4	21.7
No answer	12	1.2	----
Total	979	100.0	100.0
EDUCATION			
No formal schooling	8	0.8	0.5
1 - 8 grades	161	16.4	13.3
9 - 11 grades	364	37.2	22.3
High school graduate	298	30.4	39.2
Some college	119	12.2	13.4
College graduate	22	2.3	11.3
No answer	7	0.7	----
Total	979	100.0	100.0
MARITAL STATUS			
Married	88	9.0	58.8
Separated	135	13.8	1.4
Widowed	43	4.4	7.7
Divorced	247	25.2	6.9
Never been married	438	44.7	25.2
Living together	21	2.1	----
No answer	7	0.7	----
Total	979	99.9	100.0
VETERAN STATUS			
Yes	310	31.7	17.3
(Vietnam Veteran)	(83)	(8.5)	(4.4)
No	665	67.9	82.7
No answer	4	0.4	----
Total	979	100.0	100.0
EVER BEEN IN JAIL/PRISON			
Yes	573	58.5	----
No	398	40.7	----
No answer	8	0.8	----
Total	979	100.0	----

Homelessness

For most of the individuals interviewed, homelessness was a relatively new phenomenon. Nearly 75 percent of all respondents reported being homeless for one year or less; the median was sixty days. However, because of the extreme scores of some of the respondents (5 percent were homeless longer than eight years, including nine people who had been homeless for over 30 years), the mean number of days homeless is 617.6. Table S3 presents statistics concerning the length of time respondents had been homeless.

Table S3

Length of Time Respondents Had Been Homeless

TIME	Number	% of Total
30 days or less	381	38.9
31 - 60 days	96	9.8
61 - 365 days	238	24.3
366 - 730 days	67	6.8
731 days or more	147	15.0
No answer	50	5.1
Total	979	99.9
Mean number of days	617.6	
Median number of days	60	

As discussed in an earlier section of this report, the sampling plan in urban areas was to try to interview equal numbers of homeless people based on four levels of living condition -- limited or no shelter; missions and shelters for homeless people; cheap hotels and motels; and other unique living arrangements. In rural areas, interviewers were to interview all homeless people regardless of their living situation. The results of this effort were that 288 respondents (29.4%) reported having spent the previous night in limited or no shelter; 32.1 percent had slept in missions or shelters for homeless people; 17.5 percent stayed in cheap hotels or motels; and 20.8 percent spent the previous night in "other" situations such as with family, friends or in unique living conditions such as jail, emergency rooms, or tents. Staying with family and friends accounted for over three-fourths of the "other" category. Table S4 presents data on where respondents slept the night previous to being interviewed.

Table S4
Place Respondents Slept Last

PLACE	Number	% of Total
Limited or no shelter	288	29.4
(No shelter)	(161)	(16.4)
(Car, abandoned building, public facility)	(127)	(13.0)
Mission, shelter	314	32.1
Cheap motels and hotels	171	17.5
Other	204	20.8
(With family)	(60)	(6.1)
(With friends)	(102)	(10.4)
(Unique conditions)	(42)	(4.3)
No answer	2	0.2
Total	979	100.0

Respondents gave many reasons, often interrelated, for their homelessness. When asked to specify the one major reason, economic factors (unemployment, problems paying rent, eviction, and government benefits stopped) were cited by half of the sample. These factors parallel those cited by Cuomo (1982) and Bassuk (1984) as being three of the four major reasons for the growing number of homeless people today, i.e. unemployment, lack of low cost housing and recent cuts in government benefits.

Family problems (family conflict and family dissolution) were cited by 21.3 percent of the respondents as the major reason for their homelessness. The idea of homeless people as "happy hobos" is not borne out by the data, as only 6.1 percent gave the major reason why they are homeless as "just like to move around". Table S5 shows the reasons for homelessness as reported by the homeless respondents.

Table S5
Reported Major Reason for Homelessness

REASON	Number	% of Total
Unemployment	213	21.7
Problems paying rent	136	13.9
Family conflict	130	13.3
Eviction	94	9.6
Other reasons	92	9.4
Family dissolution	78	8.0
Alcohol/drug abuse	71	7.3
Just like to move around	60	6.1
Government benefits stopped	27	2.8
Disaster	24	2.5
Deinstitutionalization	24	2.5
Was in jail/prison	16	1.6
No answer	14	1.4
Total	979	100.1

Transience

In general, the homeless people interviewed do not appear highly mobile. Slightly less than sixty percent said they had stayed in two or fewer different places during the past month, with slightly less than 85 percent staying in four or fewer different places during the past month. Table S6 provides figures on number of places stayed.

Table S6
Number of Places Stayed During Past Month

NUMBER	Number	% of Total
1 - 2 places	559	57.1
3 - 4 places	245	25.0
5 - 6 places	69	7.0
7 - 8 places	20	2.0
More than 8 places	57	5.8
No answer	29	3.0
Total	979	99.9
Mean number of places	3.3	
Median number of places	2	

Results indicate that 63.5 percent of respondents are either long-term (more than one year) or permanent residents of the area where they were interviewed. Thirty-one percent of the respondents were fairly recent arrivals in their counties, having been there six months or less. Table S7 gives statistics on the length of time the respondents have been in the county where they were interviewed.

Table S7
Length of Time in County

TIME	Number	% of Total
Less than one week	98	10.0
1 - 4 weeks	126	12.9
1 - 6 months	81	8.3
7 - 12 months	45	4.6
More than one year	234	23.9
Permanent resident	388	39.6
No answer	7	0.7
Total	979	100.0

For those respondents who were not permanent residents of the county where they were interviewed, about one-third came from other Ohio counties, about one-third from the five states that are contiguous to Ohio, and the remainder from other states or countries. See Table S8 for exact figures on where the homeless respondents lived prior to coming to their current county of residence.

Table S8
Where Non-Permanent-Resident Respondents Lived
Prior to Coming to this County

WHERE	Number	% of Item	% of Total
Another Ohio county	205	34.7	20.9
Pennsylvania	34	5.8	3.4
West Virginia	27	4.6	2.8
Kentucky	39	6.6	4.0
Indiana	16	2.7	1.6
Michigan	36	6.1	3.7
Other states	211	35.7	21.6
Other countries	4	0.7	0.4
No answer	19	3.2	1.9
Total	591	100.1	60.3

Analysis of the data shows a variety of reasons why non-permanent residents came to the county where they were interviewed. Slightly more than 25 percent came seeking assistance from family and friends, and 27.8 percent came to either look for a job or take a job. Only 9 percent came seeking public social support such as shelter accommodations or social services.

The 10 percent who were "just passing through" probably include the 6.1 percent who said that the major reason for their homelessness is that they "just like to move around." Table S9 lists the major reasons why the respondents came to the county where they were interviewed.

Table 99

Reason for Non-Permanent Residents Coming to County

REASON	Number	% of Item	% of Total
To live with relative or friend	149	25.2	25.2
To look for a job	112	19.0	11.4
Other reasons	87	14.7	8.9
Just another stop while passing through	61	10.3	6.2
To take a job	52	8.8	5.3
For public sleeping shelters	33	5.6	3.5
Lived here before	34	5.8	3.5
For social service programs	9	1.5	0.9
To go to school	9	1.5	0.9
Heard you could get on welfare	6	1.0	0.6
For community kitchens	4	0.7	0.4
Less police hassle	2	0.3	0.2
No answer	33	5.6	3.3
Total	591	100.0	100.0

Employment and Income

In response to questions about their work history, 855 (87.3%) homeless respondents indicated that they had had a job at some point in their life, including 242 (24.7%) people who said they had worked for pay in the past month. Table S10 shows the types of work those individuals did during the past month.

Table S10

Type of Work Done by Those Who Had Worked
in the Past Month

TYPE	Number	% of Item	% of Total
Day labor	84	34.7	8.6
Permanent, full-time	60	24.8	6.1
Temporary job	59	24.4	6.0
Permanent, part-time	24	9.9	2.5
Other	13	5.3	1.3
No answer	2	0.8	0.2
Total	242	99.9	24.7

Individuals who had worked in the past but who were not now employed were asked in what year they last worked. Over one-third reported having last worked in the past 12 months, and about another one-third said they last worked between 1978 and 1982. See Table S11.

Table S11

**Year Last Worked for Those Who Have Not Worked
During the Past Month**

YEAR	Number	% of Item	% of Total
1983 - 1984	229	37.4	23.4
1978 - 1982	227	37.0	23.2
1969 - 1977	87	14.2	8.9
Prior to 1969	31	5.1	3.2
No answer	39	6.3	4.0
Total	613	100.0	62.7

Individuals who had worked in the past but who were not now employed were asked why their last job ended. Most frequently cited reasons were that they quit or were fired, the job was only a temporary one, they were laid off, or the company closed or moved. Table S12 presents information on reasons last jobs ended.

Table S12

**Reason of Formerly Employed Respondents
for Last Job Ending**

REASON	Number	% of Item	% of Total
Quit	106	17.3	10.8
Temporary job	100	16.3	10.2
Fired	93	15.2	9.5
Company closed/moved	62	10.1	6.3
Laid off	60	9.8	6.1
Other reasons	59	9.6	6.0
Poor physical health	57	9.3	5.8
Drinking/drugs	33	5.4	3.4
Poor mental health	19	3.1	1.9
Went to prison/jail	10	1.6	1.0
CETA benefits ended	2	0.3	0.2
No answer	12	2.0	1.2
Total	613	100.0	62.4

The two most frequently cited reasons (by 67.8% of the respondents) for not working now were: they have looked, but cannot find a job, or they are disabled and cannot work. Table S13 shows the major reasons why formerly-employed respondents are not working now.

Table S13

Reasons of Formerly Employed Respondents
for Not Working Now

REASON	Number	% of Item	% of Total
Laid-off, but cannot find work	292	47.1	39.5
Disabled/cannot work	127	38.7	15.8
Other reasons	36	8.2	5.7
Plan to look for work	34	5.5	3.5
Do not want to work	29	4.7	3.8
Do not feel ready to work	29	4.7	3.8
To stay home with children	19	3.1	2.9
Alcohol/drug problem	9	1.5	0.9
Do not know where to look for work	8	1.3	0.8
Do not want to lose benefits	4	0.7	0.4
Do not need to work	3	0.5	0.3
Poor education	3	0.5	0.3
No answer	3	0.5	0.3
Total	613	99.9	82.6

In all, 622 (51.4%) homeless respondents indicated that they have had some income during the past month. Welfare, earnings or Social Security were the primary sources of income for over 80 percent of those respondents. Table S14 lists the primary sources for respondents' income.

Table S14

Primary Income Source for Respondents Who Had Income
in the Past Month

SOURCE	Number	% of Item	% of Total
Welfare	233	37.5	23.8
Earnings	167	26.8	17.1
Social Security	124	19.9	13.7
Other sources	21	3.4	2.1
Family/friends	19	3.1	1.9
Refused to disclose	14	2.3	1.4
Pension	13	2.1	1.3
Charity	11	1.8	1.1
Mission/shelter work	9	1.4	0.9
Giving blood	9	1.4	0.9
No answer	2	0.3	0.2
Total	622	100.0	63.4

Social Service Usage

Respondents were asked whether or not they had used specific kinds of social services within the past month. Of the six social services listed in the questionnaire, community kitchens was the one most used by homeless respondents (60.8%). Shelters were the second most used service (56.4%), followed by welfare/general relief (44.4%). For the women, only 12.4 percent had ever used a shelter for battered women. Table S15 gives the numbers and percentages of respondents who said they had used each particular social service.

Table S15
Social Service Usage

SOCIAL SERVICE	Total	Number	% of Total
Community kitchens	979	595	60.8
Shelters	979	552	56.4
Welfare/general relief	979	435	44.4
Hospital emergency rooms	979	240	24.5
Shelters for battered women	186	23	12.4
Community mental health centers	979	119	12.2

Community kitchens were also found to be the primary source of food for the largest number of homeless people (43.4%). Some individuals indicated that they were able to buy food at a store and prepare their own meals, while others said they primarily relied on handouts. Almost none of the homeless people interviewed used dumpsters or stealing as a major means to obtain food. Table S16 presents statistics on where homeless people generally got their meals.

Table S16
Primary Source of Meals

PRIMARY FOOD SOURCE	Number	% of Total
Community kitchen	425	43.4
Buy at store; cook one's own	163	16.6
Handouts	117	12.0
Restaurant	68	6.9
Family and friends	49	5.0
Other sources	46	4.7
Mission/shelters	34	3.5
Food pantry; cook one's own	27	2.8
Do without	27	2.8
Dumpsters; trash	15	1.5
Vending machines	2	0.2
Stealing	2	0.2
No answer	4	0.4
Total	979	100.0

Psychiatric Hospitalization

A total of 293 respondents (29.9%) has been hospitalized at least once for emotional or mental health problems. One hundred eighty individuals, 18.4 percent of the total sample, have been hospitalized at least once in a state psychiatric hospital. Table S17 presents the results of respondents' psychiatric hospitalization in veterans, general/private and state hospitals.

Table S17

Psychiatric Hospitalization

HOSPITALIZATION	Number	% of Total
Never been hospitalized	673	68.7
Been hospitalized	293	29.9
(Veteran's hospital)	(60)	(6.1)*
(General hospital)	(129)	(13.2)*
(State hospital)	(180)	(18.4)*
No answer	13	1.3
Total	979	99.9

* Hospitalized subtotals do not add to 29.9% because some respondents have had hospitalizations in more than one type of setting.

Of those 180 persons who had been hospitalized in a state psychiatric hospital, 38.9 percent were hospitalized once, and the median number of hospitalizations was two. However, 11.7 percent said they had been hospitalized seven or more times. See Table S18 for figures on the hospitalization history of those respondents who were ever hospitalized in a state psychiatric hospital.

Table S18

**Number of Times Hospitalized for Those Ever
Hospitalized in a State Psychiatric Facility**

TIMES HOSPITALIZED	Number	% of Item	% of Total
one	70	38.9	7.2
two	29	16.1	3.0
3 - 4	27	15.0	2.8
5 - 6	18	10.0	1.8
7 or more	21	11.7	2.1
No answer	15	8.3	1.5
Total	180	100.0	18.4
Mean number of times hospitalized		3.7	
Median number of times hospitalized		2	

Of the 180 homeless individuals (18.4%) who have ever been in a state psychiatric hospital, 45.5 percent were last released in 1983 or 1984. Nearly one-fourth (23.9%) were last released in 1978 or earlier. Table S19 presents statistics on the years in which those respondents were last released from state hospitals.

Table S19
Year Last Released for Those Ever Hospitalized
in a State Psychiatric Hospital

YEAR	Number	% of Item	% of Total
1984 - 1983	82	45.5	8.4
1982 - 1981	23	12.8	2.3
1980 - 1979	14	7.8	1.4
1978 - 1970	29	16.1	3.0
1969 or before	14	7.8	1.4
No answer	18	10.0	1.8
Total	180	100.0	18.4

Upon their last release from the state hospital, 60 percent said that the hospital arranged some sort of community living situation for them. Thirty-five percent said that no living arrangements were made for them. Of those 108 respondents who said arrangements were made for them (i.e., were released to family, own apartment, hotel, etc.), 95 (88.0%) said that they went to that arranged place to live. Table S20 presents data on reported living arrangements for those who were released from a state hospital.

Table S20
Reported Living Arrangements for Respondents
Released From State Hospitalization

RELEASED TO	Number	% of Item	% of Total
No arrangements were made	63	35.0	6.4
Family	42	23.3	4.3
Other arrangements	21	11.7	2.1
Own apartment or house	20	11.1	2.0
Group home	18	10.0	1.8
Hotel/motel	7	3.9	0.7
No answer	9	5.0	0.9
Total	180	100.0	18.2

Arrangements were made (N=108)			
Went to the place arranged for them (N=95)	95	88.0	9.7

When asked if staff at the state hospital talked to them about going to a community mental health center, 100 respondents (55.8%) said yes. Of those 100, 88 did, in fact, have contact with a community mental health center after their release from the state hospital. In most cases, respondents indicated that they had initiated the contact with the mental health center, rather than the center contacting them. Table S21 gives information about respondents' reported contact with a community mental health center.

Table S21
Contact with a Community Mental Health Center
for Those Referred

TYPE OF CONTACT	Number	% of Item	% of Total
I contacted them	56	56.0	5.7
They contacted me	12	12.0	1.2
No contact	29	29.0	3.0
No answer	3	3.0	0.3
Total	100	100.0	10.2

When asked how they would feel about returning to a state hospital if they were having emotional problems again, a little over 50 percent said they would not want to return, but 48.5 percent said they would either like to or would not mind going back in that situation. Table S22 outlines respondents' feelings about returning to a state hospital.

Table S22
Feelings about Returning to a State Hospital
by Those Ever Hospitalized

FEELINGS	Number	% of Item	% of Total
Not want to go back	88	92.9	9.7
Not mind going back	91	29.3	9.2
Like to go back	22	12.2	2.2
Not thought about it	7	3.9	4.7
Would go back for shelter	1	4.9	4.1
No answer	9	2.2	4.4
Total	199	199.9	19.9

Social Network

When respondents in this study were asked if they had any relatives who could help them if they were ever hospitalized, 36 percent said yes. 62.2 percent said no, and 14.2 percent said they were not sure. The relatives mentioned were relatives.

This same question was asked of a random sample of the general adult population in five rural Ohio counties (Steff, 1983). In that sample, 92.4 percent said that they had relatives they could count on for help, 4.4 percent said they could not count on relatives they had, and 3.2 percent said they had no relatives. These results seem to indicate that homeless persons see themselves as more cut off from family and less likely to be able to count on the relatives they do have than do individuals in the general population. See Table S23.

Table S23

"Do you have any relatives you can count on for help?"

RESPONSE	HOMELESS STUDY		STEFL/OHIO %
	Number	% of Total	(N=2157)
Yes	352	36.0	92.4
No, can't count on	419	42.8	4.4
No, no relatives	196	20.0	3.2
No answer	12	1.2	—
Total	979	100.0	100.0

For those study respondents who said they have relatives, 50 percent have had contact with their relatives within the past 14 days, and 75 percent have had contact within the past ninety days. Table S24 presents these data.

Table S24

Time Since Contact with Relatives
for Those Who Have Relatives

DAYS	Number	% of Item	% of Total
1 - 7	327	42.4	33.4
8 - 30	144	18.7	14.7
31 - 90	87	11.3	8.9
91 - 180	42	5.4	4.3
181 - 365	46	6.0	4.7
366 or more	93	12.1	9.5
No answer	32	4.1	3.3
Total	771	100.0	78.8
Mean number of days	284.5		
Median number of days	14		

If respondents said it had been longer than a month since they had had contact with their relatives, they were asked the major reason why they did not have contact more often. Most frequently cited reasons were: no desire on their part to maintain the relationship (23.1%); the relatives did not want to see them (20.5%), and the relatives do not live nearby (20.5%). See Table S25.

Table S25

**Reasons for Infrequent Contact with Relatives
for Those Who Have Not Had Contact for More Than One Month**

REASONS	Number	% of Item	% of Total
No desire to maintain relationship	62	23.1	6.3
Relatives do not want to see me	55	20.5	5.6
Relatives do not live nearby	55	20.5	5.6
They would not help	34	12.7	3.5
Other reasons	20	7.5	2.0
I'm ashamed of current situation	12	4.5	1.2
It has been too long since I've seen them	10	3.7	1.0
Do not know where they are	4	1.5	0.4
They cannot help me/they need help too	3	1.1	0.3
No transportation	1	0.4	0.1
No answer	12	4.5	1.2
Total	268	100.0	27.2

When respondents were asked if they have friends they can count on for help, 41 percent said yes, 31.4 percent said no, and 26.8 percent said they had no friends. For those who said they had friends, 54 percent said they thought they had enough close friends.

These same two questions were asked of the random sample of the general population (as mentioned earlier) in five rural Ohio counties. In that sample, 94.9 percent said they had close friends they could count on, 4.7 percent said they had no close friends they could count on, and .4 percent said they had no friends. In addition, 82.3 percent said they had enough close friends. As was the case with relatives, homeless people clearly see themselves as being more isolated in terms of friends than the general population and less likely to be able to count on friends that they do have. See Tables S25 and S27.

Table S26

"Do you have any friends you can count on for help?"

RESPONSE	HOMELESS STUDY		STEPL/OHIO %	
	Number	% of Total	Response	(N=2157)
Yes	401	41.0	Yes	94.9
No, can't count on	307	31.4	No	4.7
No, no friends	262	26.8	Uncertain	0.4
No answer	9	0.9		—
Total	979	100.1		100.0

Table S27

"Do you have enough close friends?"

RESPONSE	HOMELESS STUDY		STEFL/OHIO %
	Number	% of Item	(N=2141)
Yes	382	54.9	82.3
No	315	44.5	17.7
No answer	11	1.6	—
Total	708	100.0	100.0

The results indicate that for those homeless respondents who have friends, contacts with those friends are frequent. Over 70 percent have had contact with friends in the last week, and 50 percent within the last day. See Table S28.

Table S28

Time Since Last Contact with Friends
for Those Who Have Friends

DAYS	Number	% of Item	% of Total
1 - 7	502	70.9	51.3
8 - 30	88	9.6	6.9
31 - 90	31	4.4	3.2
91 - 180	17	2.4	1.7
181 - 365	19	2.7	1.9
366 or more	23	3.2	2.3
No answer	48	6.8	4.9
Total	708	100.0	72.2
Mean number of days	80.5		
Median number of days	1		

Those respondents who had not had contact with their friends for more than thirty days were asked the major reason why the contact was so infrequent. Reasons most frequently cited were that their friends do not live nearby, the respondents have no desire to maintain the relationship, or they feel that their friends would not help.

Physical Health Problems

Many studies have reported the high incidence of physical and drug/alcohol problems of homeless people. In Bassuk's Boston shelter study (1984), she estimated 29 percent of the residents to be chronic alcoholics, and about 45 percent of her study group reported serious physical problems, including heart disease and cancer.

Respondents in our study were also asked questions about any physical problems they have, their use of drugs and medication, and about their drinking behavior. Results seem to indicate a lower level of health problems in our homeless population than in the Bassuk study. When asked if they currently had a physical problem they thought they should see a doctor about, slightly less than one-third said yes.

The category of physical problems most mentioned by the respondents was conditions of an ill-defined nature such as headaches, queasiness in the stomach or pains somewhere in the body. Other physical problems that were mentioned by quite a few respondents were arthritis and other problems of the musculoskeletal system, heart and circulation problems, and injury and poisoning. Table S29 presents statistics on the kinds of physical problems homeless people reported having.

Table S29
Physical Health Problems

PROBLEM	Number	% of Total
Reported no physical problems	669	68.3
Reported physical problems	301	30.7
Ill-defined conditions	(89)	(9.1)
Arthritis, rheumatism and other diseases of the musculoskeletal system	(49)	(5.0)
Injury and Poisoning	(42)	(4.3)
Diseases of the heart and circulatory system	(38)	(3.9)
Diseases of the nervous system and sense organs	(34)	(3.5)
Diseases of the respiratory system	(30)	(3.1)
Diseases of the digestive system	(28)	(2.9)
Eye Problems	(22)	(2.2)
Endocrine and nutritional disorders	(18)	(1.8)
Dental Problems	(16)	(1.6)
Infections and parasitic disorders	(11)	(1.1)
Neoplasms (cancer and benign tumors)	(10)	(1.0)
Diseases of the genito-urinary system	(10)	(1.0)
Pregnancy	(9)	(0.9)
Diseases of the blood	(8)	(0.8)
Alcoholism	(6)	(0.6)
Diseases of the skin	(4)	(0.4)
No answer	(4)	(0.4)
No answer	9	0.9
Total	979	99.9

Note: Subtotals for types of problems do not add to 30.7 because 127 respondents indicated they had two problems.

Respondents were asked if they had taken any drugs or medications within the past month and, if so, whether these had been prescribed by a doctor. Two-thirds of the homeless respondents indicated that they had not used any drugs or medications. Of those who said they did, almost three-quarters indicated that the drugs were prescribed for them by a doctor. When asked if they had had any trouble with the use of any drug in the past

(50)

month, only 47 individuals (14.9%) said yes. Table S30 shows usage of drugs and medications among the study group as well as whether the drugs were prescribed and whether they caused problems.

Table S30
Usage of Drugs and Medications Within the Past Month

USAGE CATEGORY	Number	% of Item	% of Total
Use drugs or medications (N=979)			
Yes	315	----	32.2
No	658	----	67.2
No answer	6	----	0.6
Total	979	----	100.0
<u>If used drugs/medications (N=315)</u>			
A. Drugs/medications are prescribed			
Yes	221	70.2	22.6
No	77	24.4	7.9
Some were; some weren't	15	4.8	1.5
No answer	2	0.6	0.2
Total	315	100.0	32.2
B. Trouble with drugs/medications			
Yes	47	14.9	4.8
No	250	79.4	25.5
No answer	18	5.7	1.8
Total	315	100.0	32.1

Respondents were asked about their drinking behavior during the past month. Nineteen percent said they had been drinking a lot, however 35.2 percent said they had not been drinking at all during the past month. Table S31 shows drinking behavior as reported by all homeless respondents.

Table S31
Reported Drinking During the Past Month

AMOUNT OF DRINKING	Number	% of Total
Some	441	45.0
A lot	188	19.2
Not at all	345	35.2
No answer	5	0.5
Total	979	99.9

[REDACTED]

TABLE I

Summary of the results of the survey

Category	Percentage	Number
...
...
...
...

DISCUSSION

The results of the survey indicate that...

It is noted that...

These findings are consistent with...

TABLE II

Summary of the results of the survey

Category	Percentage	Number
...
...
...
...

Respondents were also asked how satisfying their life had been. One-third indicated that it had been very satisfying or somewhat satisfying, but 28.1 percent rated it as not very or not at all satisfying. In this instance, comparisons with the Ohio sample are even more dramatic, since 86.5 percent of the latter group said they considered their lives to have been very satisfying or somewhat satisfying, as shown in Table S34.

Table S34

"In general, how satisfying would you say your life has been?"

RESPONSE	HOMELESS		STEF/OHIO %
	Number	% of Total	(N=2183)
Very satisfying	96	9.8	58.3
Somewhat satisfying	232	23.7	28.2
Mixed	360	36.8	11.1
Not very satisfying	196	20.0	1.9
Not at all satisfying	79	8.1	0.6
No answer	16	1.6	----
Total	979	100.0	100.0

URBAN/NON-URBAN COUNTY COMPARISONS

Data were initially analyzed in terms of the three county types: urban, mixed and rural. However, in most cases the analysis proved to be most meaningful when the urban counties were compared to non-urban counties (i.e., combining the mixed and rural counties into one entity). In cases when significant differences really appeared to exist between the three different county types, these are discussed.

Interviews Completed

A total of 790 (80.7%) urban interviews and 189 (19.2%) non-urban interviews were completed. See Table U1.

Table U1
Interviews Completed
(N=979)

COUNTIES	Number	% of Item	% of Total
<u>Urban</u>			
Cuyahoga	286	36.2	29.2
Mahoning	77	9.7	7.9
Lucas	133	16.8	13.6
Franklin	112	14.2	11.4
Hamilton	<u>182</u>	<u>23.0</u>	<u>18.6</u>
Total	790	99.9	80.7
<u>Non-Urban</u>			
Ashland (M)	13	6.9	1.3
Geauga (R)	0	0.0	0.0
Holmes (R)	0	0.0	0.0
Wood (M)	11	5.8	1.1
Paulding (R)	2	1.0	0.2
Fulton (R)	5	2.6	0.5
Union (M)	13	6.9	1.3
Wyandot (R)	18	9.5	1.8
Pickaway (R)	8	4.2	0.8
Jefferson (M)	30	15.9	3.1
Washington (M)	7	3.7	0.7
Noble (R)	8	4.2	0.8
Hoeking (R)	10	5.3	1.0
Clermont (M)	29	15.3	3.0
Brown (R)	11	5.8	1.1
Logan (R)	<u>24</u>	<u>12.8</u>	<u>2.5</u>
Total	189	99.9	19.2

R=Rural County

M=Mixed County

Demographics

Homeless persons in the urban counties differ demographically from homeless persons in the non-urban counties. In terms of age, 31.6 percent of homeless persons in urban counties were 29 years old or less, while 38.9 percent were 40 years or older. Homeless persons in non-urban counties tended to be younger: 47.6 percent were 29 years old or less, while only 26.4 percent were 40 years or older. In the urban counties, homeless persons were more likely to be male than in the non-urban counties (84.2% vs. 67.7%).

Not surprisingly, given the demographic profile of the different types of counties, homeless persons in the rural and mixed counties were almost all white (91.5%). In the urban counties, 59 percent of the homeless persons were white, 35.6 percent black, 3.8 percent hispanic, and 0.8 percent identified with other racial groups.

Relatively few urban homeless people were currently married or living with a partner (8.2%). Almost half (46.3%) had never been married; 25.2 percent were divorced, and 19.3 percent were separated or widowed. In the non-urban counties, 23.3 percent were currently married or living together; 38.1 percent had never been married, 25.4 percent had been divorced, and 13.2 percent were separated or widowed.

There were no significant differences among the urban and non-urban counties in terms of the educational attainment of homeless persons.

Homeless persons in the urban counties were slightly more likely to have served in the military--33.4 percent versus 24.3 percent in the non-urban counties.

Only slight differences were observed in the incidence of incarceration for urban (59.5%) and non-urban (54.5%) homeless people. Although not obtainable in this data set, it is possible that many of these experiences involved short stays for charges such as vagrancy. See Table U2 for demographic comparisons of urban and non-urban counties.

Table U2

Demographic Comparisons of Urban and Non-Urban Counties

CHARACTERISTIC	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
SEX						
Male	165	34.2	28	17.7	98	16.1
Female	25	5.3	11	12.5	38	7.2
Total	78	100.0	39	100.0	79	100.0
RACE						
White	488	28.0	72	15.5	338	27.2
Black	31	13.3	1	1.0	32	7.2
Hispanic	78	22.3	2	1.5	80	15.2
Other	2	1.2	1	1.0	3	1.2
No answer	1	0.5	1	1.0	2	0.5
Total	78	100.0	28	100.0	79	100.0
AGE						
18-24 years	23	1.2	8	4.5	31	4.7
25-34 years	24	2.5	6	2.5	30	3.7
35-44 years	13	1.5	12	11.0	25	3.2
45-54 years	11	1.5	11	11.0	22	2.8
55 years and over	2	0.7	1	1.0	3	0.4
No answer	1	0.5	1	1.0	2	0.5
Total	78	100.0	28	100.0	79	100.0
EDUCATION						
12th grade, attending	-	0.0	-	0.0	-	0.0
12th grade	23	13.2	21	15.5	25	12.5
13th grade	22	12.5	21	15.5	26	12.5
Some college, graduate	24	14.5	27	21.0	29	14.5
Some college	7	4.5	12	9.0	13	6.5
College graduate	12	7.5	1	1.0	13	6.5
No answer	1	0.5	1	1.0	2	0.5
Total	78	100.0	28	100.0	79	100.0
MARITAL STATUS						
Married	21	9.7	31	19.5	28	11.2
Separated	114	14.5	21	11.0	125	15.5
Widowed	31	4.5	4	2.0	4	1.5
Divorced	185	22.5	45	21.0	247	20.5
Never been married	302	42.5	77	35.0	435	43.5
Living together	11	1.5	5	2.5	16	2.0
No answer	1	0.5	1	1.0	2	0.5
Total	78	100.0	185	100.0	375	100.0
VETERAN STATUS						
Yes	264	31.4	45	24.0	317	31.0
(Vietnam veteran)	173	9.2	10	5.5	183	18.5
No	523	68.2	140	75.0	663	67.0
No answer	3	0.4	1	0.5	4	0.4
Total	790	100.0	185	100.0	375	100.0
EVER BEEN IN JAIL/PRISON						
Yes	472	59.5	103	54.5	573	68.5
No	313	39.6	65	45.0	401	40.5
No answer	7	0.9	1	1.0	8	1.0
Total	790	100.0	189	100.0	375	100.0

* Table 2 notes:

1. Ohio Census data are available on slightly different age groups than the homeless sample, which was selected to be 18 years old or over. The differences are as follows:
 - a. The Census distribution on education is based on persons 25 years of age and older
 - b. The Census distribution on marital status is based on persons 15 years of age and older
 - c. The Census distribution on veteran status is based on persons 18 years of age and older.
2. Census information about the percent of persons with no formal schooling is available for the state but not by county at this time. Therefore, this category is merged with "1-8 grades" in the county data.
3. Under marital status, the Census has only a category of "single", whereas our study had "never been married" and "living together".

Homelessness

Small differences were found between urban and non-urban respondents as to how long they had been homeless. Although 72.3 percent of urban respondents and 76.1 percent of non-urban respondents had been homeless for a year or less, there was a higher proportion of urban respondents who had been homeless more than two years. This latter group helped to generate a higher average number of days homeless for the urban respondents. See Table U3.

Table U3

Length of Time Respondents Had Been Homeless

TIME	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
30 days or less	308	39.0	73	38.6	381	38.9
31 - 60 days	71	9.0	25	13.2	96	9.8
61 - 365 days	192	24.3	46	24.3	238	24.3
366 - 730 days	50	6.3	17	9.0	67	6.8
731 days or more	126	16.0	21	11.1	147	15.0
No answer	43	5.4	7	3.7	50	5.1
Total	790	100.0	189	99.9	979	99.9
Mean number of days	675.9		378.4		617.6	
Median number of days	60.0		60.0		60.0	

In comparing where respondents had spent the previous night, no urban/non-urban county differences were observed in the usage of limited or no shelter or cheap motels and hotels. Differences were apparent in the use of missions/shelters and in staying with family and friends. Whereas 37.1 percent of urban homeless persons had spent the previous night in a mission or shelter, only 20.4 percent of the mixed county homeless

(57)

respondents and none of the rural respondents had slept in a mission or shelter (for an average of 11.1 percent for the non-urban people). This may reflect the relative lack of mission or shelter facilities in non-urban areas as compared to cities. By contrast, non-urban people (40.7%) were much more likely to reside with friends or relatives than was the case for urban people (16.7%). This also may reflect the absence of institutional shelters for homeless people in non-urban areas. See Table U4.

Table U4

Place Respondents Slept Last

PLACE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Limited or no shelter	238	30.1	50	26.5	288	29.4
(No shelter)	(131)	(16.6)	(30)	(15.9)	(161)	(16.4)
(Car, abandoned building, public facility)	(107)	(13.5)	(20)	(10.6)	(127)	(13.0)
Mission, shelter	293	37.1	21	11.1	314	32.1
Cheap motels and hotels	141	17.8	30	15.9	171	17.5
Other	116	14.7	88	46.6	204	20.6
(With family)	(28)	(3.5)	(32)	(16.9)	(60)	(6.1)
(With friends)	(57)	(7.2)	(45)	(23.8)	(102)	(10.4)
(Unique conditions)	(31)	(3.9)	(11)	(5.8)	(42)	(4.3)
No answer	2	0.2	0	0.0	2	0.2
Total	790	99.9	189	100.1	979	100.0

Although there are many reasons which might account for a person not having a home (e.g. disaster, eviction, unemployment, etc.), proportions of people citing specific reasons did vary somewhat among urban and non-urban populations. While nearly half in both groups cited economic reasons as the primary cause of their homelessness, 28.6 percent of the non-urban group cited family problems (family conflict and family dissolution) as the major reason, compared to 19.5 percent of the urban group. See Table U5 for reasons why people indicated that they were homeless.

Table U5

Reported Major Reason for Homelessness

REASON	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Unemployment	173	21.9	40	21.2	213	21.7
Problems paying rent	111	14.1	25	13.2	136	13.9
Family conflict	100	12.7	30	15.9	130	13.3
Eviction	74	9.4	20	10.6	94	9.6
Other reasons	70	8.9	22	11.6	92	9.4
Family dissolution	54	6.8	24	12.7	78	8.0
Alcohol/drug abuse	63	8.0	8	4.2	71	7.3
Just like to move around	52	6.6	8	4.2	60	6.1
Government benefits stopped	27	3.4	0	0.0	27	2.8
Disaster	20	2.5	4	2.1	24	2.5
Deinstitutionalization	18	2.3	6	3.2	24	2.5
Was in jail/prison	15	1.9	1	0.5	16	1.6
No answer	13	1.6	1	0.5	14	1.4
Total	790	100.1	189	99.9	979	100.1

Transience

No differences were noted between urban and non-urban respondents when comparing the number of different places they had stayed during the past month. The mean number of places stayed for the urban respondents was 3.3, and for non-urban respondents was 3.1. The median number of places stayed at during the past month was two for both groups. See Table U6.

Table U6
Number of Places Stayed During Past Month

NUMBER	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
1 - 2 places	453	57.3	106	56.1	559	57.1
3 - 4 places	188	23.8	57	30.2	245	25.0
5 - 6 places	55	7.0	14	7.4	69	7.0
7 - 8 places	17	2.2	3	1.6	20	2.0
More than 8 places	50	6.3	7	3.7	57	5.8
No answer	27	3.4	2	1.1	29	3.0
Total	790	100.0	189	100.1	979	99.9
Mean number of places	3.3		3.1		3.3	
Median number of places	2.0		2.0		2.0	

Respondents in the urban counties were far more likely to report that they were born in the county in which the interview took place than respondents in non-urban counties (42.3% vs. 28.6%).

Among those 591 individuals not native to the interview county, there were only small county differences in the length of time they had been in the county. Just under a quarter of both urban and non-urban respondents resided in the county at least one year. This suggests that there exists a substantial number of homeless people in urban and non-urban environments who are not highly mobile, at least across county or state lines. See Table U7 for a description of respondents' length of stay in the county where interviewed.

Table U7
Length of Time in County

TIME	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Less than one week	76	9.6	22	11.6	98	10.0
1 - 4 weeks	101	12.8	25	13.2	126	12.9
1 - 6 months	58	7.3	23	12.2	81	8.3
7 - 12 months	30	3.8	15	7.9	45	4.6
More than one year	185	23.4	49	25.9	234	23.9
Permanent resident	334	42.3	54	28.6	388	39.6
No answer	6	0.7	1	0.5	7	0.7
Total	790	99.9	189	99.9	979	100.0

(5)

Our analysis attempted to identify the origin (residence) of homeless people who were not permanent residents of the area in which they were interviewed. This was accomplished by asking them where they came from before arriving in the county. Responses were collapsed into the following categories: any Ohio county, states adjacent to Ohio, all other states, and all other countries. Results showed that non-urban homeless people (49.6%) were much more likely to have originated from another Ohio county than urban (30.3%) homeless people. By contrast, urban homeless people (65.2%) were more likely to have come from another state, than was the case for non-urban homeless people (48.9%). This may suggest that urban homeless people are migrating to Ohio and remaining, while non-urban homeless people tend to both originate and remain here. See Table U8 for an explanation of where respondents came from.

Table U8
Where Non-Permanent Resident Respondents Lived
Prior to Coming to this County

WHERE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Another Ohio county	138	30.3	67	49.6	205	34.7
Pennsylvania	25	5.5	9	6.7	34	5.8
West Virginia	20	4.4	7	5.2	27	4.6
Kentucky	34	7.5	5	3.7	39	6.6
Indiana	14	3.1	2	1.5	16	2.7
Michigan	31	6.8	5	3.7	36	6.1
Other states	173	37.9	38	28.1	211	35.7
Other countries	4	0.9	0	0.0	4	0.7
No answer	17	3.7	2	1.5	19	3.2
Total	456	100.1	135	100.0	591	100.1

Urban and non-urban homeless people differed when asked why they had chosen to come to the county where they were interviewed. Urban homeless people (22.1%) were much more likely to have moved to the county to look for work than were non-urban people (8.1%), while non-urban homeless people (43.7%) were more likely to have moved to be near friends and relatives than urban people (19.7%). These findings indicate that jobs, at least in Ohio, may be perceived to be more readily available in urban than non-urban areas. Additionally, non-urban homeless people appear to require or utilize family networks for help more so than urban people. See Table U9.

Table U9

Reason for Non-Permanent Residents Coming to County

REASON	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
To live with relative or friend	90	19.7	59	43.7	149	25.2
To look for a job	101	22.1	11	8.1	112	19.0
Other reasons	63	13.8	24	17.8	87	14.7
Just another stop while passing through	48	10.5	13	9.6	61	10.3
To take a job	40	8.8	12	8.9	52	8.8
For public sleeping shelters	30	6.6	3	2.2	33	5.6
Lived here before	25	5.5	9	6.7	34	5.8
For social service programs	8	1.8	1	0.7	9	1.5
To go to school	9	2.0	0	0.0	9	1.5
Heard you could get on welfare	4	0.9	2	1.5	6	1.0
For community kitchens	4	0.9	0	0.0	4	0.7
Less police hassle	2	0.3	0	0.0	2	0.4
No answer	32	7.0	1	0.7	33	5.6
Total	456	100.0	135	99.9	591	100.0

Employment and Income

Respondents were asked whether or not they had worked during the last month. Of the urban respondents, 22.2 percent reported having worked as compared to 35.4 percent from non-urban areas (average of 42.7 percent of the mixed county respondents and 26.7 percent of the rural respondents). This may be explained in that jobs may be more readily available in non-urban areas, non-urban people may have to work because of the absence of other alternatives (e.g. shelters, missions), or non-urban families and friends may insist on homeless relatives working.

Those who reported having worked during the past month were asked to indicate what kinds of jobs they held. Nearly one-third (32.8%) of those non-urban respondents held permanent full-time jobs as compared to about one-fifth (21.7%) of urban respondents. By contrast, urban respondents (40.8%) tended to hold day labor jobs, while non-urban respondents (19.4%) had not. Urban (22.3%) and non-urban (29.8%) differences were small for temporary jobs. These findings may reflect the fact that in cities, many organizations offer day jobs to homeless people, a resource which may not exist in non-urban areas. See Table U10.

Table U10

Type of Work Done by Those Who Had Worked
in the Past Month

TYPE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Day labor	71	40.8	13	19.4	84	34.7
Permanent, full-time	38	21.7	22	32.8	60	24.8
Temporary job	39	22.3	20	29.8	59	24.4
Permanent, part-time	15	8.6	9	13.4	24	9.9
Other	10	5.7	3	4.5	13	5.4
No answer	2	1.1	0	0.0	2	0.8
Total	175	100.0	67	99.9	242	100.0

(61)

Urban/non-urban homeless people did not differ in the extent to which they had ever held a job. Close to nine out of ten in both urban (85.8%) and non-urban (93.6%) groups reported having worked sometime during their adult lives.

Those who have not worked in the past month but who have held jobs during their adult lifetime were asked in what year they last worked. Nearly one-third (33.6%) of the urban respondents, and one-half (54.5%) of the non-urban homeless people, worked in the last eighteen months (since 1983). If the time interval is increased to include the last six years (since 1978), then 72.2 percent of the urban homeless sample and 84.5 percent of the non-urban homeless sample worked. See Table U11.

Table U11
Year Last Worked for Those Who Have Not Worked
During the Past Month

YEAR	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
1983 to 1984	169	33.6	60	54.5	229	37.4
1978 to 1982	194	38.6	33	30.0	227	37.0
1969 to 1977	78	15.5	9	8.2	87	14.2
1968 and earlier	25	5.0	6	5.5	31	5.1
No answer	37	7.3	2	1.8	39	6.3
Total	503	100.0	110	100.0	613	100.0

Respondents were asked why the job they last held had ended. Reasons related to the company (job temporary, plant closing, lay-off) and to the individual (fired, quit, health, substance abuse, mental health) were identified. Urban homeless people (36.9%) were only slightly more likely to have lost their jobs for a company-related reason than were non-urban homeless people (32.8%). See Table U12.

Table U12
Reason of Formerly Employed Respondents
for Last Job Ending

REASON	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Quit	82	16.3	24	21.8	106	17.3
Temporary job	82	16.3	18	16.4	100	16.3
Fired	72	14.3	21	19.1	93	15.2
Company closed/moved	54	10.7	8	7.3	62	10.1
Laid off	50	9.9	10	9.1	60	9.8
Other reasons	48	9.5	11	10.0	59	9.6
Poor physical health	44	8.7	13	11.8	57	9.3
Drinking/drugs	32	6.4	1	0.9	33	5.4
Poor mental health	16	3.2	3	2.7	19	3.1
Went to prison/jail	9	1.8	1	0.9	10	1.6
CETA benefits ended	2	0.4	0	0.0	2	0.3
No answer	12	2.4	0	0.0	12	2.0
Total	503	99.9	110	100.0	613	100.0

By far, the major reason cited by homeless people for not working involved their inability to find a job. However, non-urban people (61.8%) were much more likely to have had this difficulty, than were urban people (43.9%). See Table U13.

Table U13
Reason of Formerly Employed Respondents
for Not Working Now

REASON	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Looked, but cannot find work	221	43.9	68	61.8	289	47.1
Disabled/cannot work	109	21.7	18	16.4	127	20.7
Other reasons	48	9.5	8	7.3	56	9.1
Plan to look for work	31	6.2	3	2.7	34	5.5
Do not want to work	27	5.4	2	1.8	29	4.7
Do not feel ready to work	25	5.0	4	3.6	29	4.7
To stay home with children	14	2.8	5	4.5	19	3.1
Alcohol/drug problem	9	1.8	0	0.0	9	1.5
Do not know where to look for work	8	1.6	0	0.0	8	1.3
Do not want to lose benefits	3	0.6	1	0.9	4	0.7
Do not need to work	3	0.6	0	0.0	3	0.5
Poor education	3	0.6	0	0.0	3	0.5
No answer	2	0.4	1	0.9	3	0.5
Total	503	100.1	110	99.9	613	99.9

Almost two-thirds (63.5%) of those in the study reported having had income during the past month. Non-urban respondents (79.4%) were much more likely to have reported income than urban respondents (59.8%).

In order to explain differences among those homeless people in urban/non-urban populations who reported having income, they were asked from what source they received income. Few differences were observed across groups. Urban homeless people were more likely to cite welfare and social security as their primary source of income, whereas non-urban homeless respondents were more likely to report income from earnings as their primary source of funds during the past month. Homeless people receive relatively little from family and friends, charity, pensions, missions and shelter work, and blood banks. See Table U14.

Table U14

Primary Income Source for Respondents Who Had Income
in the Past Month

SOURCE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Welfare	181	38.3	52	34.7	233	37.5
Earnings	120	25.4	47	31.3	167	26.8
Social Security	100	21.2	24	16.0	124	19.9
Other sources	15	3.2	6	4.0	21	3.4
Family/friends	10	2.1	9	6.0	19	3.1
Refused to disclose	14	3.0	0	0.0	14	2.3
Pension	9	1.9	4	2.7	13	2.1
Charity	10	2.1	1	0.7	11	1.8
Mission/shelter work	3	0.6	6	4.0	9	1.4
Giving blood	9	1.9	0	0.0	9	1.4
No answer	1	0.2	1	0.7	2	0.3
Total	472	99.9	150	100.1	622	100.0

Social Service Usage

Homeless people were asked about their use of shelters, community mental health centers, soup kitchens, hospital emergency rooms, welfare or general relief, and shelters for battered women. No substantial urban/non-urban differences were observed in the use of community mental health centers (11.5% and 14.8% respectively) or hospital emergency rooms (23.3% and 29.6% respectively).

Differences were observed in the use of other services. Because of shelter availability in cities, urban homeless people (64.0%), were more likely to use them than were non-urban people (24.3%). Similarly, again because of availability, urban homeless people (67.2%) are much more likely to take meals from soup kitchens than non-urban homeless people (33.8%). By contrast, non-urban homeless people (61.4%) received welfare and general relief payments to a greater extent than urban homeless people (40.4%). One potential explanation may be that non-urban people may be more able to establish an address as required by the Welfare system than would be the case with city dwellers, given the higher proportion of non-urban homeless people in close contact with friends or relatives. Finally, women who are homeless in the city (18.8%) tend to use battered women's shelters more than their non-urban counterparts (4.0%). Once more, the availability of these shelters primarily in urban areas would appear to be a factor. See Table U15.

Table U15

Social Service Usage

SOCIAL SERVICE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Community kitchens	531	87.2	64	33.8	595	60.8
Shelters	506	64.0	46	24.3	552	56.4
Welfare/general relief	319	40.4	116	61.4	435	44.4
Hospital emergency rooms	184	23.3	56	29.6	240	24.5
Shelters for battered women	21	18.6	2	4.0	23	12.4
Community mental health centers	91	11.5	28	14.8	119	12.2

Obtaining food is a major concern of homeless people. When asked where they took their meals, urban and non-urban responses did not differ with regard to restaurants, food pantries, dumpsters, trash, vending machines, stealing, shelters, and families. Major differences appeared in the following ways: urban respondents (51%) were much more likely to use soup kitchens than were non-urban respondents (11.6%, the average of 17.5 percent of the mixed county respondents and 4.7 percent of rural respondents). This reflects, in part, the availability of soup kitchen facilities in urban areas and the existence of other alternatives in non-urban areas. One alternative appears to be the capacity of non-urban homeless people (30.2%) to purchase food from grocery stores for their own preparation, and the incapacity of urban homeless people (13.4%) to do the same. As an alternative, obtaining handouts for non-urban homeless people (22.2%) is more prevalent than it is for urban homeless people (9.5%). See Table U16.

Table U16

Primary Source of Meals

PRIMARY FOOD SOURCE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Community kitchen	403	51.0	22	11.6	425	43.4
Buy at store; cook one's own	106	13.4	57	30.2	163	16.6
Handouts	75	9.5	42	22.2	117	12.0
Restaurant	57	7.2	11	5.8	68	6.9
Family and friends	33	4.2	16	8.5	49	5.0
Other sources	38	4.8	8	4.2	46	4.7
Missions/shelters	29	3.7	5	2.6	34	3.5
Food pantry; cook one's own	14	1.8	13	6.9	27	2.8
Do without	18	2.3	9	4.8	27	2.8
Dumpsters; trash	11	1.4	4	2.1	15	1.5
Vending machines	1	0.1	1	0.5	2	0.2
Stealing	2	0.2	0	0.0	2	0.2
No answer	3	0.4	1	0.5	4	0.4
Total	790	100.0	189	99.9	979	100.0

Psychiatric Hospitalization

When asked about having been hospitalized for emotional or mental health problems, urban (30.6%) and non-urban (27%) homeless people differed little in their responses. Nearly three in ten homeless people had been hospitalized.

Among those who indicated that they had been hospitalized (N=293), several urban/non-urban differences were apparent concerning types of hospitalization. Urban homeless people (7.6%) were more likely to have been hospitalized by the Veteran's Administration than were non-urban homeless people (2.6%). This might be explained because of the greater proportion of veterans in the urban (33.4%) than non-urban (24.3%) sample. By contrast, non-urban homeless people (15.3%) were more likely to have been hospitalized in a general or private hospital than urban people (12.7%). This may be the result of the absence of other kinds of facilities. Treatment in a state psychiatric hospital was more prevalent among urban homeless people (19.6%) than among non-urban (13.2%). See Table U17 for a description of psychiatric hospitalization.

Table U17
Psychiatric Hospitalization

HOSPITALIZATION	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Never been hospitalized	536	67.8	137	72.5	673	68.7
Been hospitalized	242	30.6	51	27.0	293	29.9
(Veteran's hospital)	(55	7.0)	(5	2.6)	(60	6.1)
(General hospital)	(100	12.7)	(29	15.3)	(129	13.2)
(State hospital)	(155	19.6)	(25	13.2)	(180	18.4)
No answer	12	1.5	1	0.5	13	1.3
Total	790	99.9	189	100.0	979	99.9

* Hospitalized subtotals do not add to the percentages listed as "Been hospitalized" because some respondents have had hospitalizations in more than one type of setting.

No urban/non-urban differences were noted concerning the number of times hospitalized for those ever hospitalized in a state psychiatric facility. The mean number of times hospitalized was 3.7 for urban respondents and 3.4 for non-urban respondents. The median number of times hospitalized was two for each group. See Table U18.

Table U18
Number of Times Hospitalized for Those Ever
Hospitalized in a State Psychiatric Facility

TIMES HOSPITALIZED	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
one	62	40.0	8	32.0	70	38.9
two	24	15.5	5	20.0	29	16.1
3 - 4	23	14.8	4	16.0	27	15.0
5 - 6	16	10.3	2	8.0	18	10.0
7 or more	18	11.6	3	12.0	21	11.7
No answer	12	7.7	3	12.0	15	8.3
Total	155	99.9	25	100.0	180	100.0
Mean number of times	3.7		3.4		3.7	
Median number of times	2.0		2.0		2.0	

Table U19 shows the year in which homeless people were last released from a state psychiatric hospital. Because of the small sample of non-urban respondents, results should be treated with caution. However, in both urban and non-urban populations, almost one-half (45.2% and 48% respectively) were released within the past two years. Nearly one-fourth (22.5%) of the urban sample and one-third (32.0%) of the non-urban sample who had a state psychiatric hospitalization were released in 1978 or earlier.

Table U19
Year Last Released for Those Ever Hospitalized
in a State Psychiatric Hospital

YEAR	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
1984 - 1983	70	45.2	12	48.0	82	45.5
1982 - 1981	23	14.8	0	0.0	23	12.8
1980 - 1979	12	7.7	2	8.0	14	7.8
1978 - 1970	23	14.8	6	24.0	29	16.1
1969 or before	12	7.7	2	8.0	14	7.8
No answer	15	9.7	3	12.0	18	10.0
Total	155	99.9	25	100.0	180	100.0

Reported living arrangements after release from hospitals, after psychiatric treatment was received, also yielded urban/non-urban differences: urban discharges (19.3%) were much less likely to be released to families than were non-urban discharges (48.0%). This may indicate the absence of strong family ties among urban homeless people. Unlike non-urban people (4%), urban people (12.2%) were more likely to be released to their own home or apartment. Similarities were also observed. Discharges to group homes and hotels/motels were common for both urban and non-urban populations. A difference was noted in the lack of living arrangements after discharge for urban people (36.8%) as compared to non-urban (24%) homeless people, however, this may be the result of the small sample size rather than a valid difference. For the 108 respondents who said arrangements were made for them, 95 (88.0%) said that they went to that arranged place to live. Urban and non-urban respondents were nearly identical in percentages--87.6 and 89.5, respectively. See Table U20 for a description of reported living arrangements for respondents released from state psychiatric hospitals.

Table U20
Reported Living Arrangements for Respondents
Released from State Hospitalization

RELEASED TO	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
No arrangements were made	57	36.8	6	24.0	63	35.0
Family	30	19.3	12	48.0	42	23.3
Other arrangements	18	11.6	3	12.0	21	11.6
Own apartment or house	19	12.2	1	4.0	20	11.1
Group home	16	10.3	2	8.0	18	10.0
Hotel/motel	6	3.9	1	4.0	7	3.9
No answer	9	5.8	0	0.0	9	5.0
Total	155	99.9	25	100.0	180	99.9

Arrangements were made (N=108)						
Went to the place arranged for them (N=95)	78	87.6	17	89.5	95	88.0

(67)

When the 180 respondents who had been in state psychiatric hospitals were asked about referrals to community mental health centers, a total of 100 (55.5%) said that they had been referred. However, non-urban homeless people (76%) were more likely to report being referred to a community mental health center than was the case for urban homeless people (52.6%). This suggests that the referral networks in non-urban areas may be more efficient than those in cities.

Homeless people in non-urban areas (68.4%) reported a higher rate of contacting a community mental health center than did homeless people in cities (53.1%). See Table U21.

Table U21

Contact with a Community Mental Health Center
for Those Referred

TYPE OF CONTACT	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
I contacted them	43	53.1	13	68.4	56	56.0
They contacted me	11	13.6	1	5.3	12	12.0
No contact	25	30.8	4	21.0	29	29.0
No answer	2	2.5	1	5.3	3	3.0
Total	81	100.0	19	100.0	100	100.0

When asked how they would feel about returning to a state hospital if they were having emotional problems again, no urban/non-urban differences were found: nearly one-half (52.9% and 52% respectively) said they did not wish to return. See Table U22.

Table U22

Feelings about Returning to a State Hospital
by Those Ever Hospitalized

FEELINGS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Not want to go back	82	52.9	13	52.0	95	52.8
Not mind going back	43	27.7	8	32.0	51	29.3
Like to go back	20	12.0	2	8.0	22	12.2
Not thought about it	5	3.2	2	8.0	7	3.9
Would go back for shelter	1	0.6	0	0.0	1	0.6
No answer	4	2.6	0	0.0	4	2.2
Total	155	100.0	25	100.0	180	100.0

Social Network

More non-urban homeless persons (43.4%) said they had relatives they could count on than did urban homeless persons (34.2%), while 42.8 percent of the total respondents said they

had relatives, but that they could not count on them for help. More urban homeless persons said that they had no relatives than did homeless respondents in non-urban counties (22.5% vs. 9.5%). See Table U23.

Table U23

"Do you have relatives you can count on for help?"

RESPONSE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Yes	270	34.2	82	43.4	352	36.0
No, can't count on	330	41.8	89	47.1	419	42.8
No, no relatives	178	22.5	18	9.5	196	20.0
No answer	12	1.5	0	0.0	12	1.2
Total	790	100.0	189	100.0	979	100.0

There were differences between urban and non-urban homeless people in terms of when they last saw their relatives. Non-urban homeless people have more contact with relatives than urban homeless people. Almost 60 percent of non-urban homeless people had had contact with relatives within the past seven days, compared to only 37.7 percent of urban homeless people. See Table U24.

Table U24

Time Since Contact with Relatives
for Those Who Have Relatives

DAYS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
1 - 7	226	37.7	101	59.1	327	42.4
8 - 30	119	19.8	25	14.6	144	18.7
31 - 90	75	12.5	12	7.0	87	11.3
91 - 180	36	6.0	6	3.5	42	5.4
181 - 365	37	6.2	9	5.3	46	6.0
366 or more	79	13.2	14	8.2	93	12.1
No answer	28	4.7	4	2.3	32	4.1
Total	600	100.1	171	100.0	771	100.0
Mean number of days	301.9		169.9		284.5	
Median number of days	14.0		4.0		14.0	

However, when urban and rural respondents who had had no contact with relatives within the past thirty days were asked why not, no differences among reasons were found.

Respondents who had not had contact with their relatives during the past month were asked the major reason for such infrequent contact. No substantial urban/non-urban differences were noted. See Table U25.

Table U25

Reasons for Infrequent Contact with Relatives
for Those Who Have Not Had Contact for More Than One Month

REASONS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
No desire to maintain relationship	50	22.0	12	29.3	62	23.1
Relatives do not want to see me	46	20.3	9	21.9	55	20.5
Relatives do not live nearby	47	20.7	8	19.5	55	20.5
They would not help	28	12.3	6	14.6	34	12.7
Other reasons	17	7.5	3	7.3	20	7.5
I'm ashamed of current situation	10	4.4	2	4.9	12	4.5
It has been too long since I've seen them	10	4.4	0	0.0	10	3.7
Do not know where they are	4	1.8	0	0.0	4	1.5
They cannot help me/they need help too	3	1.3	0	0.0	3	1.1
No transportation	1	0.4	0	0.0	1	0.4
No answer	11	4.8	1	2.4	12	4.5
Total	227	99.9	41	99.9	268	100.0

More non-urban homeless people (57.1%) than urban homeless people (37.1%) said they had friends they could count on for help. Similarly, only 12.7 percent of non-urban homeless people said they have no friends as compared to 30.1 percent of urban homeless people. This would indicate that non-urban homeless people have a more intimate social network of friends than urban homeless people. See Table U26.

Table U26

"Do you have friends you can count on for help?"

RESPONSE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Yes	293	37.1	108	57.1	401	41.0
No, can't count on	251	31.8	56	29.6	307	31.4
No, no friends	238	30.1	24	12.7	262	26.8
No answer	8	1.0	1	0.5	9	0.9
Total	790	100.0	189	99.9	979	100.1

However, no differences across groups were noted when respondents who indicated they did have friends were asked if they had enough close friends. A little over one-half of each group said they thought they had enough close friends. See Table U27.

Table U27

"Do you have enough close friends?"

RESPONSE	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Yes	292	53.8	90	54.5	382	54.0
No	241	44.4	74	44.8	315	44.5
No answer	10	1.8	1	0.6	11	1.5
Total	543	100.0	185	99.9	708	100.0

(70)

Non-urban homeless persons seem to have a little more frequent contact with friends than urban homeless people. Seventy-seven percent of the non-urban respondents said they had had contact within the last seven days versus 69.1 percent of the urban respondents. See Table U28.

Table U28
Time Since Contact with Friends for Those
Who Have Friends

DAYS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
1 - 7	375	69.1	127	77.0	502	70.9
8 - 30	56	10.3	12	7.3	68	9.6
31 - 90	23	4.2	8	4.8	31	4.4
91 - 180	14	2.6	3	1.8	17	2.4
181 - 365	13	2.4	6	3.6	19	2.7
366 or more	19	3.5	4	2.4	23	3.2
No answer	43	7.9	5	3.0	48	6.8
Total	543	100.0	165	99.9	708	100.0
Mean number of days	91.6		46.3		80.5	
Median number of days	1.0		1.0		1.0	

Physical Health Problems

Overall, 30.7 percent of the respondents reported current medical problems. When the urban/non-urban rate was compared, there were no differences (31% and 29.8% respectively). However, when the three county types were examined, differences were found (rates of 31% in urban counties, 20.4% in mixed counties, and 41% in rural counties).

When people were asked whether they had health problems needing medical assistance, no systematic urban/non-urban differences were observed. See Table U29.

Table U29
Physical Health Problems

PROBLEM	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Reported no physical problems	536	67.8	133	70.4	669	68.3
Reported physical problems	245	31.0	56	29.6	301	30.7
Ill-defined conditions	(70)	(8.9)	(19)	(10.0)	(89)	(9.1)
Arthritis, rheumatism and other diseases of the musculoskeletal system	(38)	(4.8)	(11)	(5.8)	(49)	(5.0)
Injury and Poisoning	(38)	(4.8)	(4)	(2.1)	(42)	(4.3)
Diseases of the heart and circulatory system	(33)	(4.2)	(5)	(2.6)	(38)	(3.9)
Diseases of the nervous system and sense organs	(27)	(3.4)	(7)	(3.7)	(34)	(3.5)
Diseases of the respiratory system	(24)	(3.0)	(6)	(3.2)	(30)	(3.1)
Diseases of the digestive system	(21)	(2.7)	(7)	(3.7)	(28)	(2.9)
Eye Problems	(18)	(2.3)	(4)	(2.1)	(22)	(2.2)
Endocrine and nutritional disorders	(14)	(1.8)	(4)	(2.1)	(18)	(1.8)
Dental Problems	(14)	(1.8)	(2)	(1.0)	(16)	(1.6)
Infections and parasitic disorders	(8)	(1.0)	(3)	(1.6)	(11)	(1.1)
Neoplasms (cancer and benign tumors)	(7)	(0.9)	(3)	(1.6)	(10)	(1.0)
Diseases of the genito-urinary system	(6)	(0.7)	(4)	(2.1)	(10)	(1.0)
Pregnancy	(6)	(0.7)	(3)	(1.6)	(9)	(0.9)
Diseases of the blood	(6)	(0.7)	(2)	(1.0)	(8)	(0.8)
Alcoholism	(6)	(0.7)	(0)	(0.0)	(6)	(0.6)
Diseases of the skin	(4)	(0.5)	(0)	(0.0)	(4)	(0.4)
No answer	(2)	(0.2)	(2)	(1.0)	(4)	(0.4)
No answer	9	1.1	0	0.0	9	0.9
Total	790	100.0	189	100.0	979	99.9

Note: Subtotals for types of problems do not add to "Reported physical problems" because 127 respondents indicated they had two problems.

Respondents were asked if they had taken any drugs or medications in the past month, and if so, whether these had been prescribed by a doctor. Only about one-third of either the urban (31.9%) or non-urban (33.3%) homeless people reported having taken any drugs during the past month. Of those taking drugs, urban (67.3%) respondents were less likely to have taken prescribed drugs than non-urban respondents (66.7%). Few of those taking drugs reported experiencing a problem: only 14.7 percent of the urban respondents and 15.9 percent of the non-urban sample had trouble. See Table U30.

Table U30

Usage of Drugs and Medications Within the Past Month

USAGE CATEGORY	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Use drugs or medications (N=979)						
Yes	252	31.9	63	33.3	315	32.2
No	532	67.3	126	66.7	658	67.2
No answer	6	0.8	0	0.0	6	0.6
Total	790	100.0	189	100.0	979	100.0
If used drugs/medications (N=315)						
A. Drugs/medications are prescribed						
Yes	172	68.3	49	77.8	221	70.2
No	64	25.4	13	20.6	77	24.4
Some were; some weren't	14	5.6	1	1.6	15	4.8
No answer	2	0.8	0	0.0	2	0.6
Total	252	100.1	63	100.0	315	100.0
B. Trouble with drugs/medications						
Yes	37	14.7	10	15.9	47	14.9
No	199	79.0	51	81.0	250	79.4
No answer	16	6.3	2	3.1	18	5.7
Total	252	100.0	63	100.0	315	100.0

Respondents were asked about their drinking behavior during the past month. Slightly less than half of urban (44.2%) and non-urban respondents (48.7%) reported drinking "some", however, nearly twice as many urban (21.3%) as non-urban respondents (10.6%) reported they had been drinking a lot. See Table U31.

Table U31

Reported Drinking During the Past Month

AMOUNT OF DRINKING	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
Some	349	44.2	92	48.7	441	45.0
A lot	168	21.3	20	10.6	188	19.2
Not at all	268	33.9	77	40.7	345	35.2
No answer	5	0.6	0	0.0	5	0.5
Total	790	100.0	189	100.0	979	99.9

Urban (28.1%) homeless people were somewhat more likely to report seeking help for a drinking problem than non-urban people (20.1%). This may be the result of service availability in urban versus non-urban areas. See Table U32.

Table-112

Showing Religion-Denomination

RESPONSE	HINDU		NON-HINDU		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Very satisfied	122	18.1	18	10.1	140	18.8
Somewhat satisfied	168	25.7	18	10.4	186	25.2
No answer	11	1.7	1	0.5	12	1.6
Total	199	100.0	136	100.0	335	100.0

Religion-Denomination

This was a cross-sectional study conducted in different parts of the world. The data were used to compare the responses of respondents to the survey in different parts of the world. The data were analyzed in terms of religion-denomination. The results are given in Table-112.

Table-113

Showing the responses of respondents to the survey in different parts of the world

RESPONSE	HINDU		NON-HINDU		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Very satisfied	122	18.1	18	10.1	140	18.8
Somewhat satisfied	168	25.7	18	10.4	186	25.2
No answer	11	1.7	1	0.5	12	1.6
Total	199	100.0	136	100.0	335	100.0

Table-114

Showing the responses of respondents to the survey in different parts of the world

RESPONSE	HINDU		NON-HINDU		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
Very satisfied	122	18.1	18	10.1	140	18.8
Somewhat satisfied	168	25.7	18	10.4	186	25.2
Not very satisfied	11	1.7	1	0.5	12	1.6
Not at all satisfied	1	0.1	1	0.5	2	0.3
No answer	11	1.7	1	0.5	12	1.6
Total	199	100.0	136	100.0	335	100.0

These results would seem to indicate that a surprisingly large percentage of homeless people rate their general well-being as relatively good, despite their circumstances. However, comparative data on these same two items from two samples of 2,183 people in five rural southern Ohio counties (see Tables S33 and S34 in the Statewide Report) indicate that the general population rates its mental health as being substantially better than does the homeless population.

TYPES OF HOMELESSNESS COMPARISONS

A major concern of this study was to focus on the many varieties of homelessness, not just on street or shelter people, as has been done in numerous other studies. The primary reason for this focus was the assumption that homelessness is a much more complicated problem than service needs for those on the street and in shelters. By casting the net fairly widely, a more comprehensive picture can be developed.

Homeless people may be classified in many ways. One way is to separate people according to cause of homelessness. This would involve developing categories like psychological problems, family conflict, unemployment, natural disasters, etc. Another way is to focus on life-style concerns. Categories here might be those that appear in the popular literature such as the hobo/vagabond/happy wanderer, street people, shelter people, and so on. There are others. In this survey, homeless people were separated in the initial sampling plan on the basis of where they spent the previous night. These locations or sites were categorized according to the "degree of exposure to the elements" as follows:

- No shelter
- Automobile, abandoned building, public facility (e.g., bus station, public lobby, etc.)
- Mission or shelter
- Cheap motel or hotel (e.g., single room only) for less than 45 days
- Temporarily with family or friends for less than 45 days
- Other unique conditions

Stratifying the sample by type of living accommodation made it possible to create a representative picture of the entire homeless population, and also allowed for an analysis which could look at people experiencing different kinds of problems--that is, living in an alleyway versus staying at a shelter, or being shuffled from relative to relative.

Three Types of Homelessness

The classification above is limited because it does not take into account that people may be on the street one night and in a shelter the next. In order to derive a more meaningful classification for purposes of this analysis, information on where respondents slept last night was combined with whether they had used a shelter or mission the past month to yield the following groups:

- Street People: Those who had limited or no shelter the night before and who reported no shelter use for at least one month.
- Shelter People: Those who slept in a shelter the night before or who reported doing so any time during the last month.
- Resource People: Those who stayed in a cheap hotel/motel or with family or friends the night before and who had not stayed at a shelter during the past month.

Results of the analysis showed that 943 of the total number of respondents could be classified according to one of the three newly-defined groups: 139 Street People (14.2%), 562 Shelter People (57.4%), and 242 Resource People (24.7%). Thirty-six people could not be classified under this scheme. See Table T1A.

Table T1A

Definition of Three Types of Homelessness*

PLACE SLEPT LAST NIGHT	Stayed in a Shelter During the Past Month			Total
	Yes	No	No Answer	
Limited or no shelter	147 ²	139 ¹	2 ⁴	288
Missions, shelters	300 ²	11 ²	3 ⁴	314
Cheap motels/hotels	54 ²	116 ³	1 ⁴	171
Family or friends	36 ²	126 ³	—	162
Unique conditions	14 ²	28 ⁴	—	42
No answer	1 ⁴	1 ⁴	—	2
Total	552	421	6	979

* Total number of people classified = 943

1 Classified as Street People (N=139)

2 Classified as Shelter People (N=562)

3 Classified as Resource People (N=242)

4 No answers or could not be classified (N=36)

These categories seemed to measure the amount of resourcefulness, the type of individual or personal problems, or the nature of preferences among homeless people. Some caveats are necessary. Street People, as defined above, have the highest level of exposure to the environment. Lack of shelter may occur as a result of the following: they were denied a place to stay because of limited shelter space; their preference was to remain away from human contact or social services; they lack friends or relatives on whom they can count; they have a shortage of money or other resources, or they were not admitted to a shelter because of a personal problem (e.g., drunkenness, drug abuse, traveling with an unmarried mate, etc.). Shelter People may be, on occasion, indistinguishable from Street People, the only difference being that shelter space was available, they overcame their aversion to seeking help, or they overcame or resolved a personal problem sufficient enough to be admitted. Resource People, by contrast, seem very different from either Street or Shelter People, because of their support network of friends or relatives, along with some personal resources. Even though they have some resources, they are truly homeless and may have been or may become Street or Shelter People.

In all subsequent analyses in this section of the report concerning Types of Homelessness comparisons, the base number of 943 will be used, and all percentages will be calculated on that base.

Differences were noted when comparing type of homelessness by region and county. Primarily due to the sampling plan (see Introduction section of this report), over half (51.1%) of all respondents classified as Street People were interviewed in the northeast region. On the other hand, the central region, including the city of Columbus, accounted for only 8.6 percent of the respondents classified as Street People.

Only 4.3 percent of the shelter respondents classified as Shelter People were interviewed in the southeast region. This is understandable due to the lack of shelters in the sample counties in that region. The bulk of respondents classified as Shelter People came from Cuyahoga County (27.0%) and Hamilton County (24.9%).

The northeast, central, and southwest regions accounted for 78.1 percent of all respondents classified as Resource People. See Table T1.

Table T1
Interviews Completed
(N=943)

REGION/COUNTY	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Northeast Region	71	51.1	221	39.2	74	30.5	366	38.8
Cuyahoga	66	47.5	152	27.0	64	26.4	262	29.0
Ashland	1	0.7	10	1.7	2	0.8	13	1.4
Geauga	0	0.0	0	0.0	0	0.0	0	0.0
Holmes	0	0.0	0	0.0	0	0.0	0	0.0
Mahoning	4	2.9	59	10.5	8	3.3	71	7.6
Northwest Region	20	14.4	93	16.6	30	12.4	143	15.2
Lucas	13	9.3	91	16.2	21	8.7	125	13.3
Wood	5	3.6	0	0.0	6	2.5	11	1.2
Paulding	0	0.0	0	0.0	2	0.8	2	0.2
Fulton	2	1.4	2	0.4	1	0.4	5	0.6
Central Region	12	8.6	76	13.5	56	23.1	144	15.3
Franklin	8	5.8	72	12.8	28	11.6	106	11.6
Union	1	0.7	0	0.0	10	4.1	11	1.2
Wyandot	0	0.0	1	0.2	16	6.6	17	1.8
Pickawasy	3	2.2	3	0.5	2	0.8	8	0.8
Southeast Region	7	5.0	24	4.3	23	9.5	54	5.7
Jefferson	2	1.4	19	3.4	9	3.7	30	3.2
Washington	2	1.4	3	0.5	1	0.4	6	0.6
Noble	2	1.4	0	0.0	6	2.5	8	0.8
Hocking	1	0.7	2	0.4	7	2.9	10	1.1
Southwest Region	29	20.9	148	26.4	59	24.4	236	25.1
Hamilton	14	10.0	140	24.9	26	10.3	179	19.0
Clermont	11	7.9	1	0.2	15	6.2	27	2.9
Brown	4	2.8	2	0.4	5	2.1	11	1.2
Logan	0	0.0	5	0.9	14	5.8	19	2.0
Total	129	100.0	562	100.0	242	99.0	943	100.1

Demographics

Sex. Homeless people are perceived by many observers to be primarily male. This impression probably is continually reinforced when homeless people are equated with Street or Shelter People--the image of men of the Bowery.

When the homeless population was separated into our typology, it became clear that images of the homeless group as being all male is derived from observations of only Street and Shelter People rather than from a wider focus which includes others (i.e., the Resource type). Street People were nearly all male (89.2%). It is much more difficult for females to sustain this life style and females may have greater resources. The Shelter group was made up somewhat less of males (82.9%). This suggests that females are slightly more likely to gain access to shelters than to remain on the street. Females, however, made up 28.5 percent of the Resource People.

If homelessness is defined as in this study, it may be the case that homelessness is much more of a problem for women than has been implied in other studies.

Ethnicity. Analysis by type of homelessness showed that Street People (72.0%) were slightly more likely to be white than were Shelter (63.3%) or Resource (64.0%) People.

Veteran Status. Type of homelessness did account for some differences in veteran status. Shelter People (36.7%) were much more likely to be veterans than Street (29.5%) People or especially Resource (22.3%) People. Consequently, being a veteran may have contributed to or been associated with homelessness for some people.

Marital Status. When people were classified by type of homelessness, few differences in marital status emerged. One exception was that Resource People were less likely to be divorced than were either Street or Shelter People.

Education. Type of homelessness showed no association with education levels. Street (40.2%), shelter (46.6%), and resource (45.8%) people all were comparably educated.

Age. Again, possibly because homeless people are often equated with Shelter People, homeless people are thought to be older. Differences in age of the homeless population were reflected when type of homelessness was taken into account. A little more than one-half of those in the Street (51.1%) and Shelter (56.9%) population were under 40 years of age, as compared with nearly four-fifths (80.2%) for the Resource People.

Jail/Prison. When asked about their experiences, more than one-half (57.8%) of the overall sample said they were incarcerated at some time. Types of homelessness revealed some clear differences among groups. Shelter (63.5%) and Street (58.3%) People were much more likely than Resource People (44.2%) to have been jailed. See Table T2 for a detailed breakdown on demographics.

Table Table T2
Demographics by Type of Homelessness

CHARACTERISTIC	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
SEX								
Male	124	89.2	466	82.9	173	71.5	763	81.0
Female	15	10.8	96	17.1	69	28.5	180	19.0
Total	139	100.0	562	100.0	242	100.0	943	100.0
ETHNICITY								
White	100	71.9	356	63.3	155	64.0	611	64.8
Black	35	25.2	180	32.0	70	28.9	285	30.2
Hispanic	3	2.2	17	3.0	13	5.4	33	3.5
Other	0	0.0	3	0.5	3	1.2	6	0.6
No answer	1	0.7	6	1.1	1	0.4	8	0.8
Total	139	100.0	562	99.9	242	99.9	943	99.9
AGE								
18 - 29 years	37	26.6	171	30.4	120	49.6	328	34.7
30 - 39 years	34	24.5	149	26.5	74	30.6	257	27.3
40 - 49 years	29	20.9	105	18.7	26	10.7	160	17.0
50 - 59 years	24	17.3	90	16.0	14	5.8	128	13.6
60 years and over	13	9.4	40	7.1	6	2.5	59	6.3
No answer	2	1.4	7	1.2	2	0.8	11	1.2
Total	139	100.1	562	99.9	242	100.0	943	100.1
EDUCATION								
No formal schooling	0	0.0	7	1.2	0	0.0	7	0.7
1 - 8 grades	25	18.0	103	18.3	27	11.2	155	16.4
9 - 11 grades	58	41.7	191	34.0	104	43.0	353	37.4
High school graduate	38	27.3	165	29.4	86	35.5	289	30.7
Some college	15	10.8	78	13.9	18	7.4	111	11.8
College graduate	2	1.4	16	2.9	4	1.7	22	2.3
No answer	1	0.7	2	0.4	3	1.2	6	0.6
Total	139	99.9	562	100.1	242	100.0	943	99.9
MARITAL STATUS								
Married	17	12.2	34	6.1	35	14.5	86	9.1
Separated	23	16.6	68	12.1	41	16.9	132	14.0
Widowed	2	1.4	32	5.7	8	3.3	42	4.5
Divorced	37	26.6	152	27.0	45	18.6	234	24.8
Never been married	56	40.3	264	47.0	101	41.7	421	44.6
Living together	2	1.4	7	1.2	12	5.0	21	2.2
No answer	2	1.4	5	0.9	0	0.0	7	0.7
Total	139	99.9	562	100.0	242	100.0	943	99.9
VETERAN STATUS								
Yes	41	29.5	206	36.7	54	22.3	301	31.9
(Vietnam Veteran)	(8	(5.8)	(56	(10.0)	(16	(6.6)	(80	(8.5)
No	97	69.8	355	63.2	186	76.9	638	67.7
No answer	1	0.7	1	0.2	2	0.8	4	0.4
Total	139	100.0	562	100.1	242	100.0	943	100.0
JAIL/PRISON								
Yes	81	58.2	357	63.5	107	44.2	545	57.7
No	54	38.9	202	35.9	134	55.4	390	41.4
No answer	4	2.9	3	0.5	1	0.4	8	0.9
Total	139	100.0	562	99.9	242	100.0	943	100.0

Homelessness

Length of Time Homeless. Differences were found between Street, Shelter and Resource People as to how long they had been homeless. Homeless Resource People have been homeless for less time (median of 35 days) than either Street People (median of 60 days) or Shelter People (median of 90 days). See Table T3.

Table T3
Length of Time Respondents Had Been Homeless

TIME	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
30 days or less	61	43.9	203	36.1	107	44.2	371	39.3
31 - 60 days	14	10.1	41	7.3	35	14.5	90	9.5
61 - 365 days	28	20.1	152	27.0	50	20.7	230	24.4
366 - 730 days	7	5.0	43	7.6	16	6.6	66	7.0
731 days or more	22	15.8	95	16.9	22	9.1	139	14.7
No answer	7	5.0	28	5.0	12	4.9	47	5.0
Total	139	99.9	562	99.9	242	100.0	943	99.9
Mean number of days	608.9		688.4		469.1		620.1	
Median number of days	60		90		35		60	

Reason for Homelessness

When findings were sorted into types of homelessness, there were not substantial differences between Street, Shelter, or Resource People in the reasons they reported for being homeless. Shelter People were slightly less likely to report economic reasons (47.0% vs. 51.8% for Street People, and 51.2% for Resource People). Street People were less likely to report family conflict/dissolution as the major reason (16.5% vs. 22.0% for Shelter People, and 21.5% for Resource People). See Table T5.

Table T5
Reported Major Reason for Homelessness

REASON	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Unemployment	26	18.7	133	23.7	52	21.5	211	22.4
Problems paying rent	24	17.3	68	12.1	39	16.1	131	13.9
Family conflict	12	8.6	85	15.1	29	12.0	126	13.4
Eviction	15	10.8	45	8.1	31	12.8	91	9.7
Other reasons	10	7.2	54	9.6	23	9.5	87	9.2
Family dissolution	11	7.9	39	6.9	23	9.5	73	7.7
Alcohol/drug abuse	13	9.4	44	7.8	10	4.1	67	7.1
Just like to move around	13	9.4	35	6.2	10	4.1	58	6.2
Government benefits stopped	7	5.0	18	3.2	2	0.8	27	2.9
Disaster	2	1.4	12	2.1	10	4.1	24	2.5
Deinstitutionalization	4	2.9	8	1.4	8	3.3	20	2.1
Was in jail/prison	2	1.4	9	1.6	4	1.7	15	1.6
No answer	0	0.0	12	2.1	1	0.4	13	1.4
Total	139	100.0	562	99.9	242	99.9	943	100.1

Transience

When comparing types of homelessness and number of places stayed during the past month, it was shown that Resource People are less mobile than the other two groups. Over 90 percent of Resource People have stayed in four or fewer places in the last month compared to 79.8 percent of Street People and 79.2 percent of Shelter People. This may be explained by the fact that shelters can be used for a limited time only. They are intended to be stop-gap measures, not permanent living arrangements. See Table T6.

Table T6
Number of Places Stayed During Past Month

NUMBER	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
1 - 2 places	85	61.1	286	50.9	165	68.2	536	56.8
3 - 4 places	26	18.7	159	28.3	54	22.3	239	25.3
5 - 6 places	10	7.2	45	8.0	8	3.3	63	6.7
7 - 8 places	2	1.4	12	2.1	6	2.5	20	2.1
More than 8 places	10	7.2	41	7.3	6	2.5	57	6.0
No answer	6	4.3	19	3.4	3	1.2	28	3.0
Total	139	99.9	562	100.0	242	100.0	943	99.9
Mean number of places	3.5		3.6		2.5		3.3	
Median number of places	2		2		2		2	

Of those contacted in this study, some 63.3 percent reported that they were either long-term (more than one year) residents or had always lived in the county where the interview

was undertaken. People who have some resources and are homeless appeared to be somewhat more (45.9%) likely to have lived in the same county all their lives than either Street (41.7%) or Shelter (36.3%) People.

Those who were not indigenous to the county of interview were asked how long they had been in the county. Type of homelessness made some difference in the length of time these people had lived in the county. Street People (23.0%) and Shelter People (26.3%) were somewhat more likely than Resource People (16.5%) to have lived in the county less than a month. See Table T7.

Table T7

Length of Time in County

TIME	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Less than one week	12	8.6	75	13.3	10	4.1	97	10.3
1 - 4 weeks	20	14.4	73	13.0	30	12.4	123	13.0
1 - 6 months	10	7.2	44	7.8	20	8.3	74	7.8
7 - 12 months	8	5.7	22	3.9	15	6.2	45	4.8
More than one year	29	20.1	140	24.9	55	22.7	224	23.8
Permanent resident	58	41.7	204	36.3	111	45.9	373	39.6
No answer	2	1.4	4	0.7	1	0.4	7	0.7
Total	139	100.0	562	99.9	242	100.0	943	100.0

Subsequent questions determined where non-permanent-resident respondents had been before arriving in the county of interview. About one-third (33.9%) were from another Ohio county. When these 193 persons were included with the 373 indigenous Ohio homeless, it was discovered that 60 percent of the homeless sample in Ohio were from Ohio. When type of homelessness was accounted for, it was apparent that non-permanent-resident Resource People were more likely (41.2%) to be from Ohio than were Street (31.2%) or Shelter (31.8%) People. See Table T8.

Table T8

Where Non-Permanent-Resident Respondents Lived
Prior to Coming to this County

WHERE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Another Ohio county	25	31.2	114	31.8	54	41.2	193	33.9
Pennsylvania	6	7.5	22	6.1	3	2.3	31	5.4
West Virginia	2	2.5	15	4.2	9	6.9	26	4.6
Kentucky	7	8.8	21	5.9	11	8.4	39	6.9
Indiana	2	2.5	11	3.1	3	2.3	16	2.8
Michigan	4	5.0	28	7.8	4	3.1	36	6.3
Other states	30	37.5	135	37.7	42	32.1	207	36.4
Other countries	0	0.0	3	0.7	1	0.7	4	0.7
No answer	4	5.0	9	2.5	4	3.1	17	3.0
Total	80	100.0	358	99.9	131	100.1	569	100.0

Analysis also examined respondents' reasons for coming to the county in which the interview took place. Only one finding highlighted differences in mobility due to type of homelessness. Resource People (45.0%) were much more likely to have relocated to be near friends or relatives than were Street (18.8%) or Shelter (20.1%) People. Even so, results showed that homeless people, regardless of type, sought attachments to others. See Table T9.

Table T9
Reason for Non-Permanent Residents Coming to County

REASON	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
To live with relative or friend	15	18.8	72	20.1	59	45.0	146	25.7
To look for a job	15	18.8	74	20.6	20	15.3	109	19.2
Other reasons	16	20.0	52	14.5	13	9.9	81	14.2
Just another stop while passing through	8	10.0	46	12.9	6	4.6	60	10.5
To take a job	11	13.8	22	6.2	17	13.0	50	8.8
For public sleeping shelters	3	3.8	25	7.0	3	2.3	31	5.4
Lived here before	6	7.5	20	4.5	6	4.6	32	5.6
For social service programs	0	0.0	7	2.0	1	0.8	8	1.4
To go to school	1	1.2	7	2.0	1	0.8	9	1.6
Heard you could get public welfare	0	0.0	4	1.1	1	0.8	5	0.9
For community kitchens	1	1.2	3	0.8	0	0.0	4	0.7
Less police hassle	0	0.0	1	0.3	1	0.8	2	0.4
No answer	4	5.0	25	7.0	3	2.2	32	5.6
Total	80	100.1	358	100.1	131	100.1	569	100.0

Employment and Income

In response to questions about their work history, 822 (87.2%) respondents indicated they had a job at some point in their life, including 232 (24.6%) who said they worked for pay in the past month. Of the Street People, 18.7 percent reported having worked in the last month, compared to 25.6 percent of Shelter People and 28.5 percent of Resource People. When asked the type of job held, only 25 percent indicated that their work was full-time permanent. Of these, however, Resource People (29.0%) were more likely to have held permanent, full-time jobs than Shelter People (25.6%), or Street People (11.5%). Street People (42.3%) were more likely to do day labor than Shelter People (37.2%), and Resource People (27.5%). See Table T10.

Table T10
Type of Work Done by Those Who Had Worked
in the Past Month

TYPE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Day labor	11	42.3	51	37.2	19	27.5	81	34.9
Permanent, full-time	3	11.5	35	25.6	20	29.0	58	25.0
Temporary job	7	26.9	32	23.4	17	24.6	56	24.1
Permanent, part-time	3	11.5	11	8.0	10	14.5	24	10.3
Other	2	7.7	8	5.8	2	2.9	12	5.2
No answer	0	0.0	0	0.0	1	1.4	1	0.4
Total	26	99.9	137	100.0	69	99.9	232	99.9

Street/Shelter/Resource People differed in the extent to which they had ever had a job. More Shelter People (91.8%), however, worked than Resource People (81.8%) or Street People (77.7%). Individuals who had worked in the past, but who were not now employed were asked in what year they last worked. Nearly two-thirds (62.5%) of the overall group had not worked for at least eighteen months, however the comparable percentage for Resource People was much lower (51.1%). See Table T11.

Table T11
Year Last Worked for Those Who Have Not Worked
During the Past Month

YEAR	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
1983 - 1984	30	36.6	129	34.0	63	48.8	222	37.6
1978 - 1982	28	34.1	144	38.0	45	34.9	217	36.8
1969 - 1977	13	15.8	60	15.8	10	7.7	83	14.1
Prior to 1969	6	7.3	19	5.0	6	4.6	31	5.3
No answer	5	6.1	27	7.1	5	3.9	37	6.3
Total	82	99.9	379	99.9	129	99.9	590	100.1

Homeless people were asked why their last job ended. For the overall group, about 36.8 percent of the reasons were business-related (e.g., temporary work only, business closure, lay off), while 50.9 percent of the reasons were more individual-related (e.g., fired, quit, poor health, etc.). With only small variations, this general pattern was repeated for Street, Shelter, and Resource People. See Table T12.

Table T12
Reason of Formerly Employed Respondents
for Last Job Ending

REASON	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Quit	16	19.5	58	15.3	28	21.7	102	17.3
Temporary job	18	22.0	65	17.2	13	10.1	96	16.3
Fired	10	12.2	54	14.3	22	17.1	86	14.6
Company closed/moved	8	9.8	39	10.3	14	10.9	61	10.3
Laid off	7	8.5	38	10.0	15	11.6	60	10.2
Other reasons	8	9.8	33	8.7	17	13.2	58	9.8
Poor physical health	7	8.5	41	10.8	9	7.0	57	9.7
Drinking/drugs	5	6.1	22	5.8	4	3.0	31	5.3
Poor mental health	1	1.2	12	3.2	2	1.6	15	2.5
Went to prison/jail	1	1.2	4	1.1	4	3.0	9	1.5
CETA benefits ended	0	0.0	2	0.5	0	0.0	2	0.3
No answer	1	1.2	11	2.9	1	0.8	13	2.2
Total	82	100.0	379	100.1	129	100.0	590	100.0

Overall, the major reason given by homeless people for not working now was their inability to find a job. This was equally true across the three types of homelessness. Being disabled was the second major reason for not working now as reported by respondents in each of the three types. However, Street People (26.8%) were more likely

(85)

than Shelter People (20.6%) and Resource People (18.6%) to give "disability" as a reason. See Table T13.

Table T13

Reason of Formerly Employed Respondents
for Not Working Now

REASON	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Looked, but cannot find work	40	48.8	182	48.0	56	43.4	278	47.1
Disabled/cannot work	22	26.8	78	20.6	24	18.6	124	21.0
Other reasons	3	3.7	42	11.1	8	6.1	53	9.0
Plan to look for work	6	7.3	14	3.7	10	7.8	30	5.1
Do not want to work	5	6.1	16	4.2	7	5.4	28	4.7
Do not feel ready to work	3	3.7	17	4.5	9	7.0	29	4.9
To stay home with children	2	2.4	7	1.8	9	7.0	18	3.1
Alcohol/drug problem	0	0.0	8	2.1	0	0.0	8	1.4
Do not know where to look for work	1	1.2	5	1.3	2	1.6	8	1.4
Do not want to lose benefits	0	0.0	2	0.5	2	1.6	4	0.7
Do not need to work	0	0.0	3	0.8	0	0.0	3	0.5
Poor education	0	0.0	2	0.5	1	0.8	3	0.5
No answer	0	0.0	3	0.8	1	0.8	4	0.7
Total	82	100.0	379	99.9	129	100.1	590	100.1

Homeless people, to some extent, earn wages, but more likely, they receive some sort of public assistance or benefits. The availability and source of income was determined for the homeless population. Only about two-thirds (63.5%) reported receiving any income during the past month. Some differences existed for types of homelessness, however; Resource People (73.6%) were very likely to have received some income, as compared to Street (49.6%) or Shelter (62.6%) People.

There were differences between the three groups as to their major source of income. Resource People (41.8%) and Shelter People (38.1%) tended to receive welfare more frequently, while Street People reported welfare as their major financial resource less frequently (27.5%). See Table T14.

Table T14

Primary Income Source for Respondents Who Had Income
in the Past Month

SOURCE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Welfare	19	27.5	134	38.1	74	41.8	227	38.0
Earnings	18	26.1	88	25.0	55	31.1	161	26.9
Social Security	16	23.2	75	21.3	26	14.7	117	19.6
Other sources	3	4.4	10	2.8	7	4.0	20	3.3
Family/friends	4	5.8	7	2.0	7	4.0	18	3.0
Refused to disclose	1	1.5	8	2.3	4	2.3	13	2.2
Pension	4	5.8	9	2.6	0	0.0	13	2.2
Charity	4	5.8	6	1.7	1	0.6	11	1.8
Mission/shelter work	0	0.0	8	2.3	0	0.0	8	1.3
Giving blood	0	0.0	6	1.7	3	1.6	9	1.5
No answer	0	0.0	1	0.3	0	0.0	1	0.2
Total	69	100.1	352	100.1	177	100.1	598	100.0

Social Service Usage

When homeless people were asked about their use of shelters, community mental health centers, soup kitchens, hospital emergency rooms, welfare or general relief, and shelters for battered women, several important differences were observed when type of homelessness was taken into account. Resource People responded somewhat differently from Street or Shelter People on two important items. Resource People (38.4%) were much less likely to receive meals from soup kitchens or food pantries than was the case for Street (61.9%) and Shelter (71.2%) People. By contrast, Resource People (52.1%) were much more likely to receive welfare than were Street (32.4%) and Shelter (44.5%) People. See Table T15.

Table T15

Social Service Usage

SOCIAL SERVICE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Community kitchens	86	61.9	400	71.2	93	38.4	579	61.4
Shelters	0	0.0	551	100.0	0	0.0	551	58.4
Welfare/general relief	45	32.4	250	44.5	126	52.1	421	44.6
Hospital emergency rooms	23	16.6	161	28.7	45	18.6	229	24.3
Shelters for battered women	0	0.0	21	21.9	2	2.9	23	14.6
Community mental health centers	5	3.6	82	14.6	22	9.1	109	11.6

Obtaining food may be one of the most pressing needs of the homeless person, either because of their limited resources or the unavailability of public services. The availability of personal resources was clearly apparent in where and how homeless people in the three types obtained their food. For Street People and Shelter People, community kitchens were their major source of meals. Resource People were more likely to eat in a restaurant, buy food at a store and cook their own, or eat with friends than were either Shelter or Street People. See Table T16.

Table T16

Primary Source of Meals

PRIMARY FOOD SOURCE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Community kitchen	63	45.3	304	54.1	52	21.5	419	44.4
Buy at store; cook one's own	18	12.9	75	13.3	65	26.9	158	16.8
Handouts	24	17.3	48	8.5	39	16.1	111	11.8
Restaurant	8	5.8	34	6.0	26	10.7	68	7.2
Family and friends	3	2.2	21	3.7	23	9.5	47	5.0
Other sources	3	2.2	25	4.4	10	4.1	38	4.0
Missions/shelters	1	0.7	29	5.2	0	0.0	30	3.2
Food pantry; cook one's own	2	1.4	8	1.4	14	5.8	24	2.6
Do without	10	7.2	7	1.3	9	3.7	26	2.8
Dumpsters, trash	6	4.3	7	1.3	1	0.4	14	1.5
Vending machines	0	0.0	1	0.2	1	0.4	2	0.2
Stealing	1	0.7	1	0.2	0	0.0	2	0.2
No answer	0	0.0	2	0.4	2	0.8	4	0.4
Total	139	100.0	562	100.0	242	99.9	943	100.1

(87)

Psychiatric Hospitalization

Respondents were asked if they had ever been hospitalized for a mental or emotional problem. Results showed that slightly less than one-third (28.8%) reported being hospitalized.

Among those who had been hospitalized, some differences were observed among types of homelessness. Resource People (20.7%) were somewhat less likely to have been hospitalized than were Street (27.3%) and Shelter (32.7%) People.

Differences were also found in the types of hospitals where these homeless people received psychiatric treatment. Shelter People (20.5%) were more likely to have been in state psychiatric hospitals than Street People (12.2%) or Resource People (12.8%). However, Street People (7.9%) and Shelter People (7.5%) were more likely to have been in a veteran's hospitals than Resource People (2.1%). See Table T17.

Table T17
Psychiatric Hospitalization

HOSPITALIZATION	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Never been hospitalized	96	69.1	375	66.7	188	77.7	659	69.9
Been hospitalized	38	27.3	184	32.7	50	20.7	272	28.8
(Veteran's hospital)	(11)	(7.9)	(42)	(7.5)	(5)	(2.1)	(58)	(6.2)
(General hospital)	(16)	(11.5)	(78)	(13.9)	(26)	(10.7)	(120)	(12.7)
(State hospital)	(17)	(12.2)	(115)	(20.5)	(31)	(12.8)	(163)	(17.3)
No answer	5	3.6	3	0.5	4	1.7	12	1.3
Total	139	100.0	562	99.9	242	100.1	943	100.0

* Hospitalized subtotals do not add to percentages hospitalized because some respondents have had hospitalizations in more than one type of setting.

Of those 163 persons who had been hospitalized in a state psychiatric hospital, 38.6 percent were hospitalized once. This percentage varied little across the three types of homeless persons, and the median number of hospitalizations for all three types was two. See Table T18.

Table T18
Number of Times Hospitalized for Those Ever
Hospitalized in a State Psychiatric Facility

TIMES HOSPITALIZED	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
one	7	41.2	45	39.1	11	35.5	63	38.7
two	2	11.8	20	17.4	4	12.9	26	16.0
3 - 4	1	5.9	19	16.5	6	19.4	26	16.0
5 - 6	2	11.8	12	10.4	3	9.7	17	10.4
7 or more	3	17.6	12	10.4	3	9.7	18	11.0
No answer	2	11.8	7	6.1	4	12.9	13	8.0
Total	17	100.1	115	99.9	31	100.1	163	100.1
Mean number of times	4.5		3.7		3.1		3.7	
Median number of times	2		2		2		2	

(88)

Table T19 shows the year in which homeless people were last released from a state hospital. When types of homelessness were included for analysis, results became difficult to interpret because of small sample sizes, especially among the Street and Resource People. In spite of this limitation, one conclusion appeared to be that a higher percentage of Resource People had been released from psychiatric hospitals in the last three and one-half years than Street or Shelter People.

Table T19
Year Last Released for Those Ever Hospitalized
in a State Psychiatric Hospital

YEAR	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
1984 - 1983	6	35.3	50	43.5	19	61.3	75	46.0
1982 - 1981	1	5.9	17	14.8	5	16.1	23	14.1
1980 - 1979	2	11.8	8	7.0	3	9.7	13	8.0
1978 - 1970	3	17.6	20	17.3	1	3.2	24	14.7
1969 or before	0	0.0	11	9.7	2	6.4	13	8.0
No answer	5	29.4	9	7.8	1	3.2	15	9.2
Total	17	100.0	115	100.1	31	99.9	163	100.0

Those reporting that they were patients in state psychiatric hospitals were asked whether or not living arrangements were made for them at the time of their release.

Because of the relatively small number of cases in the Street and Resource People samples, inferences about release were not possible. For Shelter People, however, nearly two-fifths (40.4%) reported that no arrangements were made for them to be released in a suitable environment.

Those people for whom arrangements were made (N=96) were asked whether or not they had showed up at the designated site of release. Eighty-three people indicated that they had shown up. The remaining thirteen people (13.6%) had not. Street People were less likely (75.0%) to show up than either Shelter (87.3%) or Resource (90.5%) People. See Table T20.

Table T20
Reported Living Arrangements for Respondents
Released from State Hospitalization

RELEASED TO	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
No arrangements were made	4	23.5	46	40.0	8	25.8	58	35.6
Family	4	23.5	22	19.1	10	32.3	36	22.1
Other arrangements	0	0.0	15	13.0	3	9.7	18	11.0
Own apartment or house	4	23.5	13	11.3	1	3.2	18	11.0
Group home	4	23.5	11	9.6	2	6.5	17	10.4
Hotel/motel	0	0.0	2	1.7	5	16.1	7	4.3
No answer	1	5.9	6	5.2	2	6.5	9	5.5
Total	17	99.9	115	99.9	31	101.1	163	99.9

Arrangements were made (N=96)								
Went to place arranged for them (N=83)	9	75.0	55	87.3	19	90.5	83	86.4

(89)

Referral and Contact with a CMHC. Community mental health centers are expected to offer aftercare services to individuals who no longer receive treatment from state psychiatric hospitals. The referral procedure which links the patient from the state hospital to the CMHC is, therefore, important in insuring that patients receive the treatment they require. Homeless people in the study who had been in a state hospital were asked whether or not they had been referred to a CMHC. Only one-half (52.5%) reported having been referred. This finding was consistent across the three types of homelessness.

Of the 85 persons who were referred to a CMHC, over one-half (57.6%) stated that they had contacted a CMHC, while only 10.6 percent were contacted by the CMHC. This indicated that nearly one-fourth (28.2%) had no contact at all with a CMHC. Resource People are more likely to initiate contact (68.7%) than are Street People (55.6%), or Shelter People (55.0%). See Table T21.

Table T21
Contact with a Community Mental Health Center
for Those Referred

TYPE OF CONTACT	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
I contacted them	5	55.6	33	55.0	11	68.8	49	57.6
They contacted me	1	11.1	7	11.7	1	6.2	9	10.6
No contact	2	22.2	19	31.7	3	18.7	24	28.2
No answer	1	11.1	1	1.7	1	6.3	3	3.5
Total	9	100.0	60	100.1	16	100.0	85	99.9

When asked about returning to a state psychiatric hospital, 40.5 percent of the overall group indicated that they would like to return or would not mind returning to a hospital. More than one-half (52.8%), however, would not like to return. More Shelter (55.7%) and Resource (51.6%) People would not want to go back than Street People (35.3%). See Table T22.

Table T22
Feelings about Returning to a State Hospital
by Those Ever Hospitalized

FEELINGS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Not want to go back	6	35.3	64	55.7	16	51.6	86	52.8
Not mind going back	7	41.2	27	23.5	11	35.5	45	27.6
Like to go back	3	17.7	15	13.0	3	9.7	21	12.9
Not thought about it	1	5.9	5	4.3	1	3.2	7	4.3
Would go back for shelter	0	0.0	1	0.9	0	0.0	1	0.6
No answer	0	0.0	3	2.6	0	0.0	3	1.8
Total	17	100.1	115	100.0	31	100.0	163	100.0

Social Network

A few slight differences were noted between the three groups and their feelings about having relatives they can count on for help. Street People were less likely (27.3%) to say that they have relatives they can count on for help than Shelter People (36.5%) and Resource People (39.7%), and Street People were more likely (28.8%) to say that they do not have any relatives than Shelter People (18.7%) and Resource People (17.8%). See Table T23.

Table T23

"Do you have any relatives you can count on for help?"

RESPONSE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Yes	38	27.3	205	36.5	96	39.7	339	35.9
No, can't count on	56	40.3	249	44.3	100	41.3	405	42.9
No, no relatives	40	28.8	105	18.7	43	17.8	188	19.9
No answer	5	3.6	3	0.5	3	1.2	11	1.2
Total	139	100.0	562	100.0	242	100.0	943	99.9

For those respondents who have relatives, differences were noted between the three groups and the amount of time since contact with their relatives. As many as 61.2 percent of the Resource People had had contact with relatives within the past week compared to only 37.2 percent of the Street People and 34.6 percent of the Shelter People. See Table T24.

Table T24

Time Since Contact with Relatives
for Those Who Have Relatives

DAYS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
1 - 7	35	37.2	157	34.6	120	61.2	312	41.9
8 - 30	20	21.3	95	20.9	24	12.2	139	18.7
31 - 90	9	9.6	55	12.1	20	10.2	84	11.3
91 - 180	5	5.3	33	7.3	3	1.5	41	5.5
181 - 365	5	5.3	31	6.8	10	5.1	46	6.2
366 or more	16	17.0	61	13.4	13	6.6	90	12.1
No answer	4	4.3	22	4.8	6	3.1	32	4.3
Total	94	100.0	454	99.9	196	100.0	744	100.0
Mean number of days	458.2		281.1		169.1		286.3	
Median number of days	14		21		3		14	

Overall, the major reasons for infrequent contact with relatives were: "no desire to maintain the relationship" (23.4%) and "relatives don't live nearby" (21.1%). No apparent differences were noted between the three different homeless types. See Table T25.

Table T25

Reasons for Infrequent Contact with Relatives
for Those Who Have Not Had Contact for More Than One Month

REASONS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
No desire to maintain relationship	11	31.4	41	22.8	9	19.6	61	23.4
Relatives do not want to see me	6	17.1	36	20.0	9	19.6	51	19.5
Relatives do not live nearby	5	14.3	42	23.3	8	17.4	55	21.1
They would not help	8	22.9	17	9.4	9	19.6	34	13.0
Other reasons	0	0.0	19	10.6	1	2.2	20	7.7
I'm ashamed of current situation	1	2.9	7	3.8	4	8.7	12	4.6
It has been too long since I've seen them	3	8.6	5	2.8	2	4.3	10	3.8
Do not know where they are	0	0.0	4	2.3	0	0.0	4	1.5
They cannot help me/ they need help too	0	0.0	3	1.6	0	0.0	3	1.1
No transportation	0	0.0	0	0.0	1	2.2	1	0.4
No answer	1	2.9	6	3.3	3	6.5	10	3.8
Total	35	100.1	180	99.9	48	100.1	261	99.9

Street People are less likely (32.4%) to report that they have friends they can count on for help than are Shelter (39.5%) or Resource People (48.3%). Also Street People are more likely (36.7%) to say they do not have any friends than are Shelter People (28.1%) or Resource People (19.0%). See Table T26.

Table T26

"Do you have any friends you can count on for help?"

RESPONSE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Yes	45	32.4	222	39.5	117	48.3	384	40.7
No, can't count on	42	30.2	180	32.0	73	30.2	295	31.3
No, no friends	51	36.7	158	28.1	46	19.0	255	27.0
No answer	1	0.7	2	0.4	6	2.5	9	0.9
Total	139	100.0	562	100.0	242	100.0	943	99.9

Over one-half (54.5%) of the respondents who indicated they had friends thought they had enough close friends. This was equally true when type of homelessness was taken into account. See Table T27.

Table T27

"Do you have enough close friends?"

RESPONSE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Yes	52	59.8	213	53.1	105	55.0	370	54.5
No	34	39.1	179	44.6	85	44.5	298	43.9
No answer	1	1.1	9	2.2	1	0.5	11	1.6
Total	87	100.0	401	99.9	191	100.0	679	100.0

Overall, 71.1 percent of the three types of homeless respondents had had contact with friends in the last week, however, more Street People (80.5%) and Resource People (79.1%) had seen friends in the last week than Shelter People (65.3%). See Table T28.

Table T28

Time Since Contact with Friends
for Those Who Have Friends

DAYS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
1 - 7	70	80.5	262	65.3	151	79.1	483	71.1
8 - 30	7	8.0	42	10.5	15	7.8	64	9.4
31 - 90	1	1.1	17	4.2	10	5.2	28	4.1
91 - 180	1	1.1	14	3.5	2	1.0	17	2.5
181 - 365	2	2.3	11	2.7	5	2.6	18	2.7
366 or more	3	3.5	17	4.2	3	1.6	23	3.4
No answer	3	3.5	38	9.5	5	2.6	46	6.8
Total	87	99.9	401	99.9	191	99.9	679	100.0
Mean number of days	39.3		110.8		48.6		83.1	
Median number of days	1		2		1		1	

Physical Health Problems

Overall, 30.7 percent of the respondents indicated they had a physical problem which should be treated by a physician. Resource People (21.9%), however, reported having fewer problems than either Shelter (33.3%) or Street (36.0%) People. Only in the case of ill-defined conditions among Street People, were results very different for the three types of homelessness. See Table T29.

Table T29
Physical Health Problems

PROBLEM	STREET		SHELTER		RESOURCE		TOTAL	
	No.	%	No.	%	No.	%	No.	%
Reported no physical problems	86	61.9	372	66.2	187	77.3	645	68.4
Reported physical problems	50	36.0	187	33.3	53	21.9	290	30.8
Ill-defined conditions	(24)	(17.3)	(49)	(8.7)	(13)	(5.4)	(86)	(9.1)
Arthritis, rheumatism and other diseases of the musculo-skeletal system	(9)	(6.5)	(32)	(5.7)	(7)	(2.9)	(48)	(5.1)
Injury and poisoning	(6)	(4.3)	(26)	(4.6)	(9)	(3.7)	(41)	(4.3)
Diseases of the heart and circulatory system	(5)	(3.6)	(27)	(4.8)	(6)	(2.5)	(38)	(4.0)
Diseases of the nervous system and sense organs	(1)	(0.7)	(28)	(5.0)	(4)	1.6)	(33)	(3.5)
Diseases of the respiratory system	(7)	(5.0)	(17)	(3.0)	(3)	(1.2)	(27)	(2.9)
Diseases of the digestive system	(7)	(5.0)	(15)	(2.7)	(4)	(1.6)	(26)	(2.7)
Eye problems	(6)	(4.3)	(15)	(2.7)	(1)	(0.4)	(22)	(2.3)
Endocrine and nutritional disorders	(3)	(2.1)	(10)	(1.8)	(5)	(2.1)	(18)	(1.9)
Dental problems	(0)	(0.0)	(10)	(1.8)	(5)	(2.1)	(15)	(1.6)
Infections and parasitic disorders	(2)	(1.4)	(7)	(1.2)	(2)	(0.8)	(11)	(1.2)
Neoplasms (cancer and benign tumors)	(1)	(0.7)	(5)	(0.9)	(4)	(1.6)	(10)	(1.1)
Diseases of the genito-urinary system	(2)	(1.4)	(5)	(0.9)	(2)	(0.8)	(9)	(0.9)
Pregnancy	(1)	(0.7)	(4)	(0.7)	(4)	(1.6)	(9)	(0.9)
Diseases of the blood	(0)	(0.0)	(4)	(0.7)	(3)	(1.2)	(7)	(0.7)
Alcoholism	(0)	(0.0)	(5)	(0.9)	(1)	(0.4)	(6)	(0.6)
Diseases of the skin	(0)	(0.0)	(3)	(0.5)	(0)	(0.0)	(3)	(0.3)
No answer	(0)	(0.0)	(2)	(0.3)	(0)	(0.0)	(2)	(0.2)
No answer	3	2.2	3	0.5	2	0.8	8	0.8
Total	139	100.0	562	100.0	242	100.0	943	100.0

Note: Subtotals for types of problems do not add to percents reporting problems because some respondents indicated they had two problems.

Homeless people were asked about taking drugs or medications during the past month. Only one-third (31.4%) reported that they had. Shelter (35.0%) People were more likely to have taken drugs than were Street (22.3%) or Resource (28.1%) People. Importantly, drugs taken were indicated as having been prescribed by physicians for some 69.3 percent of those admitting to drug consumption. No differences across the three types of homelessness were noted.

Only a small percentage (15.4%) reported that drugs consumed had caused them any problems. No differences were noted across the three types of homeless persons. See Table T30.

Table T30

Usage of Drugs and Medications within the Past Month

USAGE CATEGORY	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Use drugs or medications (N=943)								
Yes	31	22.3	197	35.0	68	28.1	296	31.4
No	106	76.3	363	64.6	173	71.5	642	68.1
No answer	2	1.4	2	0.4	1	0.4	5	0.5
Total	139	100.0	562	100.0	242	100.0	943	100.0
If used drugs/medications (N=296)								
A. Drugs/medications are prescribed								
Yes	20	64.5	138	70.0	47	69.1	205	69.3
No	8	25.8	46	23.3	20	29.4	74	25.0
Some were; some weren't	2	6.4	12	6.1	1	1.5	15	5.1
No answer	1	3.2	1	0.5	0	0.0	2	0.7
Total	31	99.9	197	99.9	68	100.0	296	100.1
B. Trouble with drugs/medications								
Yes	4	12.9	30	15.2	9	13.2	43	14.5
No	25	80.6	156	79.2	54	79.4	235	79.4
No answer	2	6.5	11	5.6	5	7.3	18	6.1
Total	31	100.0	197	100.0	68	99.9	296	100.0

Next, homeless people were asked about alcohol abuse. Nearly one-half (46.1%) reported drinking some and another one-fifth (19.2%) reported drinking a lot during the past month. Street (24.5%) and Shelter (21.4%) People reported drinking "a lot" more often than Resource People (11.2%). See Table T31.

Table T31

Reported Drinking During the Past Month

AMOUNT OF DRINKING	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Some	73	52.5	233	41.5	129	53.3	435	46.1
A lot	34	24.5	120	21.4	27	11.2	181	19.2
Not at all	31	22.3	207	36.8	84	34.7	322	34.1
No answer	1	0.7	2	0.4	2	0.8	5	0.5
Total	139	100.0	562	100.1	242	100.0	943	99.9

When asked whether or not they had sought help for a drinking problem, 26 percent across the three homeless types reported that they had. However, more Street (25.9%) and Shelter (31.8%) People indicated that they have sought help than did Resource People (12.4%). See Table T32.

Table T32

Seeking Help for Drinking

BEHAVIOR	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Have ever sought help	36	25.9	179	31.8	30	12.4	245	26.0
Have not sought help	99	71.3	364	64.8	209	86.4	672	71.3
No answer	4	2.9	19	3.4	3	1.2	26	2.8
Total	139	100.0	562	100.0	242	100.0	943	100.1

General Well-being

- Overall, 40.5 percent of respondents reported that their nerves, spirits, outlook or mental health at present was either good or excellent. Patterns of response were similar across type of homeless condition. See Table T33.

Table T33

"How would you rate your nerves, spirits, outlook, or mental health at present?"

RESPONSE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Excellent	10	7.2	64	11.4	14	5.8	88	9.3
Good	39	28.1	178	31.7	77	31.8	294	31.2
Fair	45	32.4	186	33.1	95	39.3	326	34.6
Poor	26	18.7	88	15.1	31	12.8	145	15.4
Very bad	15	10.8	39	6.9	19	7.8	73	7.7
No answer	4	2.9	7	1.2	6	2.5	17	1.8
Total	139	100.1	562	100.0	242	100.0	943	100.0

Overall, 33.8 percent reported that, in general, their life was very or somewhat satisfying. No striking differences were noted when type of homelessness was taken into account. See Table T34.

Table T34

"In general, how satisfying would you say your life has been?"

RESPONSE	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
Very satisfying	9	6.5	70	12.5	15	6.2	94	10.0
Somewhat satisfying	26	25.9	127	22.6	61	25.2	224	23.8
Mixed	45	32.4	209	37.2	98	40.5	352	37.3
Not very satisfying	37	26.6	102	18.0	46	19.0	185	19.6
Not at all satisfying	7	5.0	47	8.6	19	7.8	73	7.7
No answer	5	3.6	7	1.1	3	1.2	15	1.6
Total	139	100.0	562	100.0	242	99.9	943	100.0

These results would seem to indicate that a surprisingly large percentage of homeless people rate their general well-being as relatively good, despite their circumstances. However, comparative data on these same two items from two samples of 2,183 people in five rural southern Ohio counties (see Tables S33 and S34 in the Statewide Results chapter) indicate that the general population rates its mental health as being substantially better than does the homeless population.

MENTAL HEALTH STATUS RESULTS

Our discussion of the mental health status of homeless people is essentially organized around four analysis efforts. The first effort focuses specifically on each of the ten symptom dimensions we measured. Distributional characteristics of the symptom areas are presented in some detail. Also, these distributions are reorganized into clinical severity distributions through the use of cut-off scores. Next, we discuss our effort to meaningfully combine these symptom scales into two severity indices that attempt to capture the multiple-symptom nature of psychiatric diagnosis. Third, the symptomatology of our respondents is compared to two other respondent groups, newly admitted inpatients and transitional services clients who had successfully lived in the community for one year. Finally, we examined the relationship between the Psychiatric Status Schedule (PSS) scales and other homeless person characteristics in an attempt to identify how types of experiences, conditions or resources relate to mental health status. Urban-rural differences and types of homelessness differences on mental health status are addressed specifically in separate sections and a final section is concerned with identifying correlates to psychiatric problems of homeless people.

Distribution of Psychiatric Symptoms

This section presents the distributional characteristics of our homeless respondent group along the ten symptom dimensions we measured. We have presented both the raw score frequency distribution of each scale and a distribution of clinical severity levels for each scale based on cut-off scores suggested by PSS researchers.

Before discussing the symptom areas, two terms should be clarified that might be unfamiliar to the reader. The first term, "skewed" or "skewness", is used to describe the shape of each distribution. Distribution shape is an important concept to portray in the analysis of data, and the index of skewness was developed to assess one component of that shape. A distribution can be either positively or negatively skewed. A positively skewed distribution is one where the bulk of cases is located at the low end of the measurement scale with the number of cases decreasing as the scores increase. A negatively skewed distribution is the opposite, where the bulk of cases occurs at the high end of the measurement scale and the number of cases decreases as scores get smaller. In our presentation, distribution shape conveys special meaning about psychiatric symptoms, hence the need to use the concept of skewness to represent that shape.

The second term, "cut-off scores", refers to points on a scale which establish meaningful divisions between areas of a continuum. In the mental health area, these cut-off points can be used to make decisions about classifying cases. The scores are established by administering scales to large numbers of people who experience a range of disorders and then by determining which score values correspond to levels of severity, types of problems, or the like. On our symptom scales, for example, cut-off scores have been established that permit the classification of cases on the basis of three levels of clinical severity. The cut-off scores discussed in this section were developed by the same team of clinician-researchers who constructed the PSS.

Depression-Anxiety. The Depression-Anxiety scale is composed of 38 items and is constructed through a simple weighting/summing procedure. The scale is a measure of "subjective feelings and concerns and psychophysiological dysfunctions that may be associated with the depressive, anxious, phobic or obsessive-compulsive syndromes" (Spitzer, et al., 1970, p. 44). The potential scale range is from 0 (no true items) to 38

(every item true), with a higher score indicating more serious symptomatology. A depressed or anxious respondent would be one who has, for example, trouble sleeping, little interest in activities, many fears, poor appetite, poor concentration, feelings of being inadequate, or other such thoughts or behaviors.

Table MHS1 presents the distribution of scores obtained from our homeless respondents on this scale. The range of scores is from 0 to 31; the mean of the distribution is 8.4 (median = 7, mode = 4), and the standard deviation is 6.3. The distribution shape is slightly skewed in the positive direction, where positive refers to the fact that the distribution tends to narrow as the scores increase.

Table MHS1
Depression-Anxiety Frequency Distribution

Scores	#
31 . *	3
. **	5
. **	7
25 . ****	14
. ****	15
. *****	24
19 . *****	29
. *****	33
. *****	51
13 . *****	85
. *****	85
. *****	105
7 . *****	132
. *****	158
. *****	130
0 . *****	103
-----+-----+-----+-----+-----+-----+-----+	
* MAY REPRESENT UP TO 4 COUNTS	

The data presented in Table MHS2, however, are more helpful in understanding the above information. This frequency distribution is the same information recast into categories of clinical severity. These data indicate that 41.4 percent of our respondents have at least mild depressive-anxious concerns and that, if moderate and above is considered the cutting point, 18.4 percent of our respondents have scores which correspond to the presence of thoughts or behaviors that negatively affect an individual's capacity to function.

Table MHS4 contains the recategorization of the Suicide-Self-mutilation distribution into clinical severity categories. It can be seen that the bulk of respondents, nearly 87 percent, reported no indicators of problems in this area, and 3.5 percent demonstrated the presence of behaviors or thoughts that correspond to serious problems in this area.

Table MHS4

Suicide - Self-mutilation Clinical Severity Distribution

CATEGORY	Number	%
Extreme	3	0.3
Severe	16	1.6
Moderate	16	1.6
Mild	39	4.0
Minimal	54	5.5
None	<u>851</u>	<u>86.9</u>
Total	979	99.9

Speech Disorganization. The Speech Disorganization scale is composed of thirteen items, a number of which are also differentially weighted to reflect the relative importance of an item. This scale focuses on speech impairment and has a potential range of 0 (no true items) to 29 (every item true). A speech-disorganized person would, for example, ramble in conversation, have loose associations, or might be occasionally incoherent.

Table MHS5 presents the raw scores of our respondents on this variable. The range of scores is from 0 to 26, with the mean being 2.25 (median = 0, mode = 0), and the standard deviation being 4.01. The shape of this variable is highly positively skewed, with very few cases having higher scores.

Table MHS8

Inappropriate Affect, Appearance or Behavior
Clinical Severity Distribution

CATEGORY	Number	%
Extreme	49	5.0
Severe	112	11.4
Moderate	79	8.0
Mild	173	17.7
None or Minimal	566	57.8
Total	979	99.9

Interview Belligerence-Negativism. This 16-item scale focused on the belligerent or negative behaviors demonstrated by a respondent through the interview session. It assessed, for example, refusal to cooperate, sarcasm, argumentativeness or other distracting, possibly aggressive, actions. The scale also uses a weighting scheme to indicate the clinical importance of an item and has a potential range of 0 (no items true) to 21 (every item true).

Table MHS9 presents the raw scores obtained from our respondents. The range of scores is from 0 to 16; the mean is .99 (median = 0, mode = 0), and the standard deviation is 2.27. The distribution is also positively skewed in shape.

Table MHS9

Interview Belligerence-Negativism Frequency Distribution

<u>Scores</u>	<u>#</u>
16 . *	1
. *	1
. *	3
. *	3
. *	3
. *	3
. *	6
. *	4
8 . *	1
. *	11
. **	18
. **	20
. **	24
. **	25
. *****	65
. *****	103
0 . *****	688

* MAY REPRESENT UP TO 15 COUNTS

Cut-off scores for Interview Belligerence-Negativism were not available, so the information has not been measured in terms of its clinical severity. A few comments about this variable can be made, however. First, 81 percent of our respondents had a raw score of one or less, indicating that, in general, interviewers were not confronted with substantial amounts of non-cooperative or aggressive behavior. It was also the case that interviewers reported having very little difficulty engaging homeless respondents in discussion, and when respondents were non-cooperative it was not in an aggressive or hostile manner.

Disorientation-Memory Impairment. This scale is designed to measure "visible signs of disorientation to time, place, and persons, and impairment in recent or remote memory" (Spitzer, et al., 1970, p. 44). The scale is composed of eleven items, some of which are weighted to reflect relative clinical importance. It has a potential range of 0 (no items true) to 26 (every item true), and was included in the study as a measure of potential organicity. A respondent having problems in this symptom area might, for example, forget certain things about his/her life, not be oriented as to time or place, or have trouble following interview questions.

Table MHS10 presents the raw score distribution of scores on this scale. The range of scores is from 0 to 16; the mean is .91 (median =0, mode = 0), and the standard deviation is 2.05. The distribution is also positively skewed.

Table MHS10

Disorientation - Memory Impairment Frequency Distribution

Scores	#
16 . *	1
.	
.	
.	2
.	2
.	4
.	3
.	3
8 . *	6
.	10
.	22
.	7
.	28
.	64
.	11
.	117
0 .	699

* MAY REPRESENT UP TO 15 COUNTS

Table MHS11 presents the Disorientation-Memory Impairment scale in clinical severity categories. This distribution shows that almost 85 percent of our respondents demonstrated no, minimal or mild severity on the scale. The remaining 15 percent have scores that correspond to the presence of characteristics that are sufficiently severe to reduce functioning capacity.

Table NHSL1

**Identification - Memory Impairment
Clinical Severity Distribution**

CATEGORY	Number	%
Extreme	22	1.2
Severe	48	4.9
Moderate	32	3.4
Mild	21	1.1
None or Minimal	815	83.4
Total	979	100.0

Retardation-Lack of Emotion. This 15-item scale focuses on "visible signs of retardation in speech and movement, a tendency to ignore the surroundings, and flattening of affect or a general lack of emotional expression" (Spitzer, et al., 1978, p. 44). It is very important to note that retardation does not refer to mental retardation or reduced mental capacity, rather in this instance it refers to a slowing or drifting of the respondent's speech or movement. The scale also has a weighting scheme to indicate the clinical importance of various items and has a potential range of 0 (no true items) to 22 (all items true). A respondent having problems in this area might, for example, appear emotionless, be passive, give few or no answers to questions or answer slowly and faintly, or appear preoccupied and unresponsive.

Table NHSL2 presents the raw score distribution of scores on this scale. The range of scores is from 0 to 18; the mean is 2.92 (median = 1, mode = 0), and the standard deviation is 1.64. The distribution is fairly positively skewed, although less so than most of the other scales.

Agitation-Excitement. This scale is concerned with "overt signs of agitation or excitement" and is designed to measure such things as respondent inability to sit still, pacing, handwringing, accelerated speech, hyperactivity and the like (Spitzer, et al., 1976, p. 44). The scale is composed of seven items, all of which are equally weighted, and its potential score is from 0 (no true items) to 7 (all items true). An agitated person would be one who, for example, talks rapidly, fidgets or moves about restlessly.

Table MHS14 presents the raw score distribution of the information we obtained from respondents. The range of scores is from 0 to 7; the mean is .84 (median = 0, mode = 0), and the standard deviation is 1.15. This distribution is also highly positively skewed.

Table MHS14

Agitation - Excitement Frequency Distribution

<u>Scores</u>	<u>f</u>
7. *	2
. *	4
. *	6
. **	24
3. ****	48
. *****	65
. *****	154
0. *****	656
-----+-----+-----+-----+-----+-----+-----	
* MAY REPRESENT UP TO 14 COUNTS	

Table MHS15 displays the recategorization of this scale into clinical severity categories. Almost 83 percent of our respondents fell into the none, minimal and mild categories. The remaining 17 percent can be considered as impaired because their scores correspond to the presence of characteristics or behaviors that likely create problems in daily living or in interacting with other people.

Table MHS15

Agitation-Excitement Clinical Severity Distribution

CATEGORY	Number	%
Extreme	24	3.7
Severe	48	7.3
Moderate	65	9.9
None, Minimal, or Mild	519	79.1
Total	656	100.0

Grandiosity. This six-item scale is concerned with "inflated appraisal of worth, contacts, power or knowledge; boasting; sensational plans; delusions of power, status, knowledge or contact; and hallucinations with a grandiose annotation" (Spitzer, et al., 1970, p. 45). The scale is designed as a measure of reality testing disturbance and, with clinical weights assigned to various items, has a potential score range of 0 (no items true) to 12 (every item true). A higher score means higher pathology.

Table MHS16 presents the raw scores on the Grandiosity scale. The range of scores is from 0 to 11; the mean is .37 (median = 0, mode = 0), and the standard deviation is 1.29. The scale is the most positively skewed of all of the distributions.

Table MHS16
Grandiosity Frequency Distribution

Scores	#
11 . *	2
. . *	2
. . *	3
. . *	2
. . *	3
. . *	8
5 . *	4
. . *	9
. . *	14
. . *	14
. . *****	80
0 . *****838	

-----+-----+-----+-----+-----+-----+-----
 * MAY REPRESENT UP TO 18 COUNTS

Table MHS17 presents the Grandiosity scores recategorized according to clinical severity. The most notable characteristic of this distribution is that almost 94 percent of our respondents scored in the none, minimal, or mild categories, and that less than one percent were considered to be extreme.

Table NKS17

Handicaps - Mental Severity - Distribution

Category	Number	%
Severe	4	1.4
Extreme	12	4.3
Moderate	44	15.4
None, Minimal or Mild	263	94.4
Total	323	100.0

Suspicion - Persecutions - Hallucinations. This 19-item scale assesses "disturbances, feelings of having been mistreated, taken advantage of, tricked or pushed around; ideas of reference; various paranoid delusions; and auditory hallucinations which were treated or commented" (Spitzer, et al., 1974, p. 45). The scale also is a measure of the domain of reality testing disturbance and, with the clinical weights applied to certain variables, has a potential range of 0 for low levels to 40 every item item. Substances or characteristics that indicate a respondent has problems in this area might include, for example, exaggerated complaints about peers or authority, hearing voices, perceptions of persecution, or actions based on hallucinations or delusions. Again, a higher score indicates a greater degree of disturbance or problems.

Table NKS18 presents the raw score distribution obtained from our respondents. The range of scores is from 0 to 41; the mean is 3.81 (median = 0, mode = 0) and the standard deviation is 5.89. This distribution is also highly positively skewed.

Table NKS18

Suspicion - Persecutions - Hallucinations
Frequency Distribution

Scores	Count
41 . . .	1
37 . . .	1
33 . . .	1
29 . . .	7
25 . . .	3
21 . . .	2
17 . . .	3
13 . . .	6
9 . . .	9
5 . . .	13
1 . . .	7
0 . . .	17
0 . . .	22
0 . . .	25
0 . . .	47
0 . . .	76
0 . . .	120
0 . . .	613

* MAY REPRESENT UP TO 13 COUNTS

In Table MHS19, scores are recategorized according to clinical severity. It is again the case that a high proportion of respondents, almost 80 percent, have scores that correspond to the none, minimal and mild severity categories. The remaining 20 percent are likely to have behavioral configurations that result in some impairment or reduced capacity to either interact meaningfully with other people or carry out normal roles and responsibilities.

Table MHS19
Suspicion - Persecutions - Hallucinations
Clinical Severity Distribution

CATEGORY	Number	%
Extreme	24	2.5
Severe	52	5.3
Moderate	120	12.3
Mild	111	11.3
Minimal	59	6.0
None	613	62.6
Total	979	100.0

By way of summary, the following are some observations that can be made about the scores obtained on the ten symptom dimensions discussed above. First, it is of considerable interest to note that the shape of almost all of these distributions matches the type of distribution one would expect to find in the measurement of psychiatric symptomatology. Psychiatric symptoms exist, especially in general populations, as rare phenomena, that is, proportionally fewer people have psychiatric impairment compared to the general population as a whole (Maxwell, 1972). When measuring this symptomatology, distributions have a reversed J, or positively skewed, shape with most respondents having little or no difficulty and with an increasingly smaller number of people presenting more serious symptom presence. All of our scales, except Depression-Anxiety, exhibit this shape with some, notably Suicide-Self-mutilation, being extremely positively skewed.

The distributions we obtained stand in contrast to the picture presented by the popular literature about homelessness and by some researchers who have reported on the prevalence of mental illness among homeless people. For example, Arce and Vergare (1984) state "it is evident that in most universes of homeless people, between 25 percent and 50 percent have serious and chronic forms of mental illness" (p. 88). Ellen Bassuk, reporting in the *Scientific American* (1984, p. 42) found a 90 percent incidence of "diagnosable mental illness" in a shelter in Boston and has generalized that finding to most homeless persons. These figures imply levels of psychiatric symptomatology among homeless people that, when measured, would be distributed much differently than our distributions. While no precise interpretive standard exists, it would be very difficult to infer from our data that the symptoms we measured indicate the presence of the levels of extreme psychopathology implied by the above writers.

Second, it is important to examine the percentages of respondents who had symptom scores that placed them in clinical severity categories of moderate and above, which we think correspond to the potential service needs of homeless people. Table MHS20 lists a rank ordering of the symptom scales by the percentages of people who scored moderate and above.

Table XRS21

Symptom Scales Ranked by the Percentage of Respondents Scoring Moderate and Above*

SCALE	%
Speech Disorganization	29.6
Inappropriate Affect, Appearance or Behavior	24.4
Retardation-Lack of Emotion	21.8
Suspicion-Persecutions-Hallucinations	19.9
Depression-Anxiety	18.4
Agitation-Excitement	17.3
Disorientation-Memory Impairment	15.5
Grandiosity	6.2
Suicide - Self-mutilation	1.5

* Interview Intelligence not included because cut-off scores were not available from the authors of the PMS.

These percentages indicate that some service needs are apparent for homeless people, that the percentages of people needing these services is variable by symptom area and that, in general, these percentages tend to be lower than the popular literature on homelessness would suggest, although higher than distribution of percentages among the general population.

Defining and Assessing Multiple Symptom Severity

This section is concerned with our attempt to construct two indices of severity based on the premise that psychiatric impairment is often a function of multiple symptoms rather than one. Our approach to the problem was straightforward. Essentially, we defined two severity indices—psychiatric and behavioral—based on the domain relatedness of our symptom scales according to Spitzer, et al. (1978, p. 40). For example, the Psychiatric Severity Index is composed of the Depression-Anxiety, Suicide-Self-mutilation, Grandiosity and Suspicion-Persecutions-Hallucinations symptom scales. These scales relate to subjective distress and reality testing, respectively. The Behavioral Disturbance Severity Index, on the other hand, is composed of the Agitation-Excitement, Disorientation-Memory Impairment, Inappropriate Affect, Appearance or Behavior, Speech Disorganization and Retardation-Lack of Emotion symptom scales.

Further justification for combining these symptom scales into simple indices came from two sources. First, Spitzer, et al. (1980) reported that three of the scales included in the psychiatric severity index, Suspicion-Persecutions-Hallucinations, Depression-Anxiety and Suicide-Self-mutilation, discriminated between a group of outpatients and a community sample (point biserial correlations were .65, .53 and .34, respectively). These correlations indicate that respondents who were mental health clients tended to have higher scores on these symptom scales than those respondents who were not clients.

A second justification for combining symptom scales comes from a finding in our study that replicates the Spitzer, et al. data reported above. Our data were organized in a slightly different way, however, because we used hospitalized-for-mental-health-problems vs. not-hospitalized as our discrimination groups. Table XRS21 presents the point biserial correlations of the hospitalized variable and PMS symptom scales.

Table MHS21
Correlations Between Psychiatric Hospitalization Experience
and PSS Scale Scores

	<u>PSS Scale</u>	<u>Point Biserial Correlation</u>
Subjective Distress	Depression-Anxiety	.28
	Suicide-Self-mutilation	.24
Behavioral Disturbance	Speech Disorganization	.14
	Inappropriate Affect, Appearance or Behavior	.03
	Agitation-Excitement	.03
	Interview Belligerence-Negativism	.04
	Disorientation-Memory Impairment	.06
	Retardation-Lack of Emotion	.06
Reality Testing Disturbance	Grandiosity	.19
	Suspicion-Persecutions-Hallucinations	.30

An examination of these correlations indicates that three of the subscales that Spitzer, et al. found to be related to the use of mental health services also tend to be related to hospital experience in the homeless group. Depression-Anxiety, Suicide-Self-mutilation and Suspicion-Persecutions-Hallucinations all have a modest relationship with hospitalization as indicated by the respective correlations of .28, .24 and .30. Further, Grandiosity also tends to be related, although the correlation coefficient of .19 is somewhat smaller in magnitude than the others. What these correlations say is that homeless people who reported having had one or more hospitalizations for mental health problems also tend to have higher scores on the Depression-Anxiety, Suicide-Self-mutilation, Grandiosity and Suspicion-Persecutions-Hallucinations symptom scales. People with no reported hospitalizations, on the other hand, tend to have lower scores on the these symptom scales.

Both the Psychiatric Severity and Behavioral Disturbance Severity Indices were put together using a simple count method. Basically, the indices reflect the number of symptom scales upon which a respondent's score is moderate and above. Each symptom is treated as equally weighted so that a respondent who scores a one on, for example, the Psychiatric Severity Index could obtain that score because of the presence of any of the four symptom scales. A score of two could reflect any combination of two symptom scales located at the moderate or above level, and so on.

While it is recognized that these indices are a crude measure of severity, they do begin to capture the multiplicity of symptom configuration inherent in most disorders. Our assumption is that severity can be defined as increasing as the number of symptoms a person manifests increases. It is also our assumption that broad levels of service needs can be associated with levels of severity and that the percentages associated with each

level can provide rough measures of multiple symptom prevalence within the homeless group.

Table MH522 presents the Psychiatric Severity Index distribution. To restate, the index is a simple count of the number of symptoms a respondent manifested in the moderate and above range as defined by the Spitzer cut-off scores. It can be seen that almost 70 percent of our respondents scored a zero, a score which corresponds to minimal or no symptomatology in the psychiatric severity area. Almost 18 percent had at least one score of moderate and above, another ten percent had two scores; approximately three percent had three scores and, finally, less than one percent had all four symptoms.

Table MH522
Psychiatric Severity Index Distribution

# SYMPTOMS	Number	%
0	678	69.3
1	171	17.5
2	93	9.5
3	32	3.3
4	5	0.5
Total	979	100.1

It is again important to point out what these figures imply about psychiatric symptomatology within the homeless group. The figures we are reporting are not consistent with data one would expect to obtain if the respondent group were highly dysfunctional. We observed that about 30.8 percent of our respondents demonstrated the presence of symptomatology that might require the need for a mental health service. Within that 30.8 percent, the percentage of more severe psychiatric impairment decreased to the point that less than five percent might be candidates for highly structured, protective settings.

Table MH523 presents the Behavioral Disturbance Severity Index distribution. It, too, is a simple count of the number of symptoms a respondent manifested in the moderate and above range. This distribution suggests that behavioral disturbance problems tend to be more prevalent within the homeless group than psychiatric problems. Forty-six percent of our respondent group demonstrated from none to mild symptomatology in this area. Another 37 percent reported only one or two symptoms and the remainder, approximately 17 percent, had three or more symptoms at the moderate and above level. While these data are more difficult to relate to potential mental health service needs, it is the case that homeless people seem to manifest behavioral disturbance more than psychiatric impairment. It is also the case, however, that the behavioral disturbance data also conform to the "relatively rare" distribution expectations discussed above.

Table MHS23
Behavioral Disturbance Severity Index Distribution

# SYMPTOMS	Number	%
0	453	46.3
1	226	23.1
2	140	14.3
3	96	9.8
4	50	5.1
5	14	1.4
Total	979	100.0

As a final point, it is of interest to examine the relationship between the Psychiatric Severity Index and the Behavioral Disturbance Index. This is particularly important because it permits the more precise definition of severity based on the presence of symptomatology from both domains. Also, the overlap between the two scales will be essential to examine as a means to identify more specific psychiatric disorders based on subjective distress, reality testing and the behavior of the respondent.

Table MHS24 presents the cross-tabulation of psychiatric severity and behavioral severity. It can be seen that some overlap between the two indices exists as indicated by the presence of percentage values in most of the cells. It is the case, however, that this overlap is fairly small, with 20.5 percent of our respondents demonstrating the presence of both psychiatric problems and behavioral disturbance problems.

Table MHS24
Psychiatric Severity Cross-tabulated with
Behavioral Disturbance Severity
(Percentaged, N=979)

Number of Psychiatric Symptoms Moderate or Above	Number of Behavioral Disturbance Symptoms Moderate or Above						Total
	0	1	2	3	4	5	
0	36.2	15.6	8.0	6.0	2.9	0.5	69.2
1	6.6	4.5	3.4	1.8	0.8	0.3	17.5
2	2.9	2.5	1.7	1.1	0.9	0.4	9.5
3	0.6	0.5	1.0	0.8	0.3	0.1	3.3
4	0.0	0.0	0.2	0.0	0.2	0.1	0.5
Total	46.3	23.1	14.3	9.7	5.1	1.4	100.0

Three distinct groups can be defined from these data. The first group is composed of those persons who have zero scores on both scales, that is, those who can be considered as relatively symptom free. About 36 percent of our respondents can be put in this category. The second group is composed of those respondents who have at least one behavioral disturbance problem but no psychiatric symptom problems. These are people who likely behave in ways that might be considered odd or deviant, but who do not demonstrate the

presence of problems that could require psychiatric services. About 33 percent of our respondents can be thus classified.

The third group is composed of the remaining respondents who demonstrated the presence of at least one psychiatric symptom. Included in this group are the people who have only a psychiatric symptom problem (10.1%), and the above mentioned group who had both a psychiatric symptom problem and a behavioral disturbance problem (20.5%). We have defined this group under the assumption that the presence of one or more problem psychiatric symptoms is the paramount concern in establishing the mental health status of a respondent and that the co-presence of one or more behavioral disturbance problems with a psychiatric problem aids in helping define the psychiatric problem or disorder more precisely. As noted above, 30.8 percent of our respondents can be classified into this group.

Comparing Homeless Persons to Other Groups

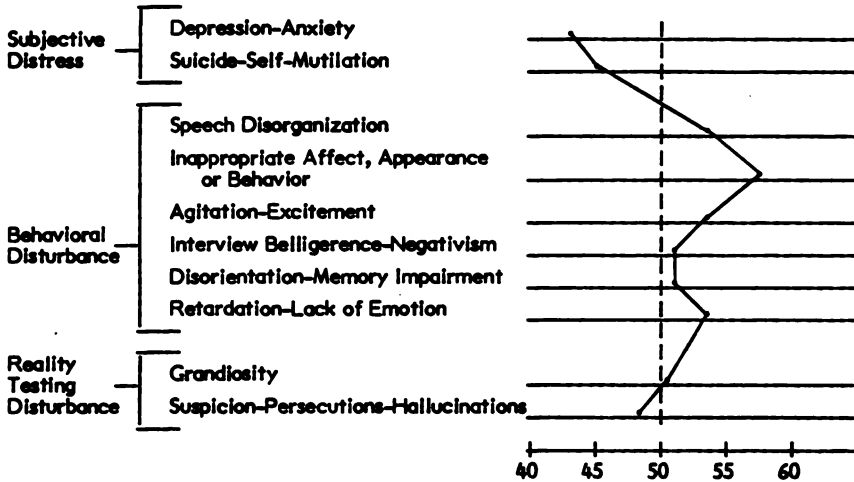
Understanding data obtained about psychiatric symptomatology of one group can be enhanced by a comparison of this information to other reference groups. We were able to obtain statistical information about two groups which we felt could serve to make some useful comparative statements relative to our homeless respondents.

The first group to which we compared our respondents was composed of 770 newly-admitted psychiatric inpatients. This group is actually one that Spitzer used to examine PSS scale characteristics and, also, is one about which Spitzer makes available scale means and standard deviations. The characteristics of our study group are reported to be similar to newly-admitted inpatients, in general, although it is important to know that information about the inpatients was collected in the early-1970's. Because of this time differential and, therefore, the likely existence of different criteria for admission, we are reporting this comparison with the caution that the relationships between the two groups might be different if more recent inpatients were used. Unfortunately, PSS data about recent inpatients were not available.

Figure MHS-F1 presents the comparison between our homeless respondent group and Spitzer's early-1970's newly-admitted inpatients. This comparison was done by a standardization procedure through which the scores of the homeless respondent group were transformed to T-scores using the means and standard deviations of the inpatient group. The expected value of the mean of standard scores is fifty, and the standard deviation is ten. As a guide to interpretation, if the homeless respondents were identical to the inpatients, the mean of each scale (located by the dot and connected by the solid lines) would be located at the value of fifty. To the extent that homeless respondents are better, on the average, within a symptom area, the mean will be located below fifty. Conversely, if homeless respondents are worse within a symptom area, the mean will be located above fifty.

Figure MHS-F1.

Comparison of Homeless Respondents to Spitzer's 770 Newly-Admitted Inpatients



An examination of Figure MHS-F1 points out the differences and similarities between our homeless respondents and Spitzer's early-1970's inpatients. On the subjective distress measures, Depression-Anxiety and Suicide-Self-mutilation, homeless respondents' scores are lower, indicating less pathology, than the 1970's inpatients. They are also lower on the Suspicion-Persecutions-Hallucinations scale, although to a lesser extent. On the other scales, homeless respondents appear to score higher than the 1970's inpatients. This is especially evident on the scales that measure affect, appearance and behavior, where the scores are considerably higher than those of Spitzer's inpatients.

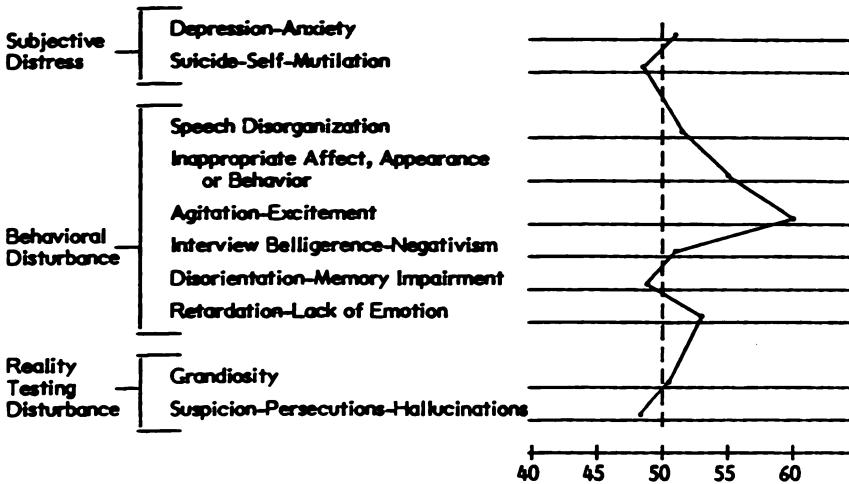
An interesting, but tentative, explanation can be given for this pattern of similarities and differences. While our homeless respondents tend to have higher means, behaviorally speaking, than Spitzer's early 1970's inpatients, they perform substantially better on the symptom scales that are demonstrated to be more adequate measures of psychiatric dysfunction. The types of behavior exhibited by homeless people and their appearance is sometimes odd or, possibly, dysfunctional, but it is not necessarily related to a mental health service need. It could be this phenomenon, in fact, that accounts for the larger estimates of "chronically mentally ill homeless" that have been reported in other sources.

The second group to which we compared homeless people was composed of 229 transitional services clients who had been living in the general community for one year. These clients were respondents in a research project that sought to examine the types of factors that facilitated success in community adjustment after discharge from a state hospital. This research was conducted in Ohio in the late 1970's by two of the university-based staff on this project. It should be restated that this group is composed of people who had been engaged in the mental health system for psychiatric services and who were successfully maintained in the community after psychiatric hospitalization. It is, from that standpoint, a more dysfunctional group than one drawn from the general population.

Figure MHS-F2 presents the comparison between our homeless respondents and the transitional services group. The scores are again T-scores, using the transitional services data for the standardization. The general pattern of scores indicates similarity between the groups on all the dimensions except those related to behavior or appearance--Inappropriate Affect, Appearance or Behavior, Agitation-Excitement and Retardation-Lack of Emotion. It is apparent here that our homeless respondents look more dysfunctional than transitional services clients from a behavioral standpoint, and look similar from a psychiatric standpoint.

Figure MHS-F2.

Comparison of Homeless Respondents to 229 Ohio Transitional Services Clients



The data from these comparisons are interesting given the composition of the groups. Homeless respondents scored better than inpatients on those scales that measure psychiatric distress suggesting that, in general, homeless people are not in need of hospitalization. They tend to be much more psychiatrically similar to clients who have been living successfully in the community. On the behavioral scales, however, our homeless respondents are consistently more dysfunctional than either group. We think that what these data may indicate is the interaction between stresses of living a homeless lifestyle and the presence of behaviors or characteristics that are often perceived to be related to psychiatric dysfunction. The Behavioral Disturbance scales clearly measure areas where problems are exacerbated by the exigencies of homelessness. For members of the comparison groups, resources existed to take care of their basic survival needs. For our homeless respondents, however, basic survival demands were immediate and sometimes pressing. It is our opinion that some of the differences on the behavioral disturbance scales can be accounted for by that fact.

Mental Health Status, Psychiatric Hospitalization and Community Mental Health Center Use

One of the principal reasons this study was conducted was the need to understand how well the mental health system responds to the mental health needs of homeless people. This issue is particularly important because of the ongoing assertion by advocates for homeless people that mental health policies, whether they be those relating to "deinstitutionalization" or those concerned with restrictive hospital admission standards, are a primary cause of homelessness in this country. In this section, we present results that address the crucial overlap between the mental health status of homeless people and the extent to which the mental health system addresses these needs.

Before presenting these findings, however, it is important to clarify how we chose to define mental health system use in this analysis. Two questions were included in the questionnaire to ascertain mental health system contact by homeless people. The first question asked if the respondent had ever been in a hospital for emotional or mental health problems. The second question asked if the respondent had used community mental health center services within the past month. Based on the yes-no response categories to these questions, we created four categories of system use: (1) respondent was hospitalized and had used a community mental health center; (2) respondent was hospitalized and did not have community mental health center contact; (3) respondent was not hospitalized and had used a community mental health center, and (4) respondent was not hospitalized and did not have community mental health center contact.

In the analysis, the above categories of system use were related to our summary measure of mental health status, the Psychiatric Severity Index. While the index is presented in its entirety to represent the degree of problem presence within each group, to a large extent the focus of this analysis was on two groups defined by the index: those who demonstrated no psychiatric symptomatology and those who presented one or more symptom areas that could require the need for mental health services.

Table MHS25 presents the relationship between the mental health status of our homeless respondents and their system use. The table is structured as a three-way cross-tabulation where hospitalization and community mental health center use are down the columns, and psychiatric severity is across the rows. Our analysis of these data has two parts: first, we look at the overall system use by each of the four groups and, second, we examine the extent to which mental health needs are being addressed through this use.

Focusing first on system involvement, it can be seen that 82 (8.6% of the total respondent group) of our respondents indicated that they had been hospitalized for a psychiatric problem and also reported having used a community mental health center. We also know from a more detailed examination that 62 (75.6%) of the respondents in this category are people who were in state psychiatric facilities, leaving 24.4 percent who had another type of hospitalization and also had community mental health center use. The number of people who reported a hospitalization and no community mental health center use was 208, approximately 22 percent of our respondent group. Again, a more detailed examination indicated that 118 (56.7%) of the respondents in this category reported having been in a state facility.

The bulk of our respondents, almost 70 percent, reported that they had never been hospitalized for a psychiatric problem. Of this group, a small number of people, 36 (4% of the total respondent group), indicated that they had been in contact with a community mental health center within the past month. The remaining 632 respondents (66% of the

total respondent group indicated that they had neither been in a hospital nor reported to have used community mental health center services.

Table VIII

**Psychiatric Severity of Respondent Respondents of
Community Mental Health Center Use and
Psychiatric Hospitalization Experience**

Psychiatric Severity Index Score	# Respondents	HOSPITALIZATION								Total %
		YES				NO				
		COMM MHC				COMM MHC				
		Yes	%	No	%	Yes	%	No	%	
0	25	42.7	31	48.8	25	38.6	32	49.1	50	48.1
1	11	38.8	11	34.8	8	33.2	11	33.8	19	27.3
2	11	34.8	11	34.8	4	22.1	11	33.8	15	21.7
3	5	22.8	11	48.8	4	22.1	4	22.8	8	11.7
4	4	4.8	1	2.8	1	2.8	1	2.8	3	4.3
	52	100	52	100	25	100	52	100	102	98.3

A few summary highlights can be stated about the mental health system involvement of homeless people based on these data. First, as noted previously in the report, about 34 percent of our respondents indicated they had been in any psychiatric facility. Within that group, nine percent of our respondents had used community mental health center services. Further, a high percentage (72% of those reporting both a hospitalization and community mental health center use were people who had been in state facilities, suggesting a predominate closer link between state hospitalization and community mental health center use. However, a high percentage of state hospitalizations (57%) were also found for those hospitalized but reporting no community mental health center contact, indicating that the relationship between state hospitalization and community mental health center use is imperfect. Finally, only a small percentage of respondents (4% indicated that they had been in contact with a community mental health center but had never been hospitalized.

Assessing the extent to which this system involvement meets the mental health needs of homeless people is the focus of the second part of our analysis of these data. Two assumptions have been made in this analysis: first, that a score of one or above on the Psychiatric Severity Index indicates mental health services used and, second, that a "yes" response to the community mental health center use question indicates that mental health needs are potentially being addressed.

Given these assumptions, the following observations can be made about our data. First it should be restated and emphasized that 62 (48.1%) of our respondents have a zero score on the Psychiatric Severity Index, a score which corresponds to no or minimal symptom severity. The breakdown of this group across the categories of system involvement is important because it indicates that having been in a hospital or having used a community

mental health center does not necessarily correspond to continued problem severity or need. For example, the frequency of zero Psychiatric Severity Index scores in the first three columns in Table MHS25 (which indicates some form of system involvement) add to 156, about 18 percent of the total number of respondents. We think these are people who have been adequately served by the system or who have simply improved in their psychiatric functioning. It is also important to highlight the fact that 506 of our total number of respondents (53%) reported having had no psychiatric hospitalization, no community mental health center contact and did not demonstrate the presence of problem psychiatric symptomatology.

A second observation about these data is that some of the mental health needs of homeless people are currently being addressed by the system. With the previously stated assumptions in mind, we estimate that 63 (7%) of our total number of respondents are likely having their needs addressed. More accurately stated, of the 296 respondents who demonstrated need, those 63 actually represent 21.3 percent who are likely to be having their needs addressed.

Finally, we know from these data that homeless people have mental health needs that are not addressed by the mental health system. It is important to identify two groups who appear to have such unmet needs. First, a group of people can be defined who report having been hospitalized, having had no community mental health center use and who demonstrate the presence of one or more problem symptoms. A total of 107 (11% of the total) respondents can be thus classified. The composition of this group is made up of people who have been released from a psychiatric facility and did not make contact with a community mental health center or people who were released at one point in time and had a recurrence of psychiatric problems.

The second group who have unmet needs can be defined as having no hospitalization, no community mental health center use and the presence of problem symptomatology. A total of 126 (13% of the total respondents) have this configuration of characteristics. This group of people is composed of those homeless persons who have psychiatric problems but that have never made contact with the system.

Mental Health Status of Urban and Non-Urban Homeless People

Another stated objective of this study was to identify differences between homeless people found in urban and non-urban areas, not only on the dimensions discussed extensively in a previous section of the report, but relative to their mental health status as well. Tables MHS26 and MHS28 present an overview of mental health status as measured by the Psychiatric Severity Index and Behavioral Severity Index, respectively, by the type of county in which the interview occurred.

An examination of Table MHS26 indicates very little difference between the two groups in the psychiatric severity scores of respondents. For example, if you compare the percentage of respondents reporting no problem symptoms, the urban group has a slightly higher percent of people (70.1% vs. 65.6%) than the non-urban group. The percentage difference (4.5%) is fairly small, however. For respondents who were observed to have had at least one psychiatric symptom, the differences by number of symptoms are very similar. The five respondents who were most dysfunctional (number of symptoms = 4) were interviewed in an urban setting.

Table MHS26

Psychiatric Severity by Type of County

# SYMPTOMS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
0	554	70.1	124	65.6	678	69.3
1	131	16.6	40	21.2	171	17.5
2	75	9.5	18	9.5	93	9.5
3	25	3.2	7	3.7	32	3.3
4	5	0.6	0	0.0	5	0.5
Total	790	100.0	189	100.0	979	100.1

In order to make a more precise assessment of the psychiatric functioning of respondents, we examined each of the PSS scales used in creating the Psychiatric Severity Index. To do this assessment, we simply calculated the percentage of respondents who scored at the moderate or above level of severity on each scale by the type of county in which the interview occurred. The data are displayed in Table MHS27. Non-urban respondents tend to have slightly higher percentages on the Suicide-Self-mutilation and Suspicion-Persecutions-Hallucinations scales and tend to be slightly lower on the Grandiosity scale. On the Depression-Anxiety scale, however, the difference between the two groups tends to be somewhat higher (6.6%), suggesting that non-urban respondents may be more depressed or anxious than urban respondents.

Table MHS27

Psychiatric Symptom Scales by Percentage of Respondents Scoring Moderate and Above by Type of County

SCALE	URBAN	NON-URBAN
Depression-Anxiety	17.3	23.3
Suicide-Self-mutilation	3.6	3.7
Suspicion-Persecutions-Hallucinations	19.8	21.2
Grandiosity	7.0	3.2

The Behavioral Disturbance Index presented in Table MHS28, however, suggests that real differences between non-urban and urban respondents exist from a behavioral perspective. Looking again at the no-symptom category, the differences between the groups is high (18%), with non-urban respondents showing fewer problems than urban respondents. This is, of course, opposite to the psychiatric severity finding noted above, where rural respondents tended to show slightly more psychiatric problems than did their urban counterparts. It is also the case that problem magnitude is more severe for urban respondents. The frequencies that correspond to three or more problem areas indicate that a higher proportion of urban respondents (19.1%) have three or more behavioral disturbance problems, compared to 4.7 percent of non-urban respondents.

Table MHS28
Behavioral Disturbance Severity by Type of County

# SYMPTOMS	URBAN		NON-URBAN		TOTAL	
	Number	%	Number	%	Number	%
0	338	42.8	115	60.8	453	46.3
1	182	23.0	44	23.3	226	23.1
2	119	15.1	21	11.1	140	14.3
3	88	11.1	8	4.2	96	9.8
4	49	6.2	1	0.5	50	5.1
5	14	1.8	0	0.0	14	1.4
Total	790	100.0	189	99.9	979	100.0

A more detailed exploration of the behavioral disturbance differences was done by examining non-urban/urban score distributions of each of the PSS scales that were used to create the Behavioral Severity Index. Table MHS29 presents that information. The differences between these percentages indicate that, for all scales, non-urban respondents had less problems than those from urban areas. Respondents were most alike on the Agitation-Excitement scale, where the difference was less than four percent. On the other hand, considerable difference between the groups can be seen on the Speech Disorganization scale, where the difference is nearly 20 percentage points.

Table MHS29
Behavioral Disturbance Symptom Scales by Percentage of
Respondents Scoring Moderate and Above by Type of County

SCALE	URBAN	NON-URBAN
Inappropriate Affect, Appearance or Behavior	27.3	12.7
Agitation-Excitement	18.0	14.3
Retardation-Lack of Emotion	24.6	10.1
Speech Disorganization	33.4	13.8
Disorientation-Memory Impairment	17.0	9.5

These data on the mental health status of urban and non-urban respondents can be summarized as follows. Urban and non-urban homeless people tend to be very similar in terms of psychiatric symptomatology. The groups were essentially equivalent on the Psychiatric Severity Index and only Depression-Anxiety tended to be different on the PSS scales used to construct the index. From the behavioral point of view, however, a different picture emerges. Homeless people in urban areas tend to have more behavioral disturbances than non-urban homeless people. Urban respondents were consistently worse on the specific PSS scales used to construct the Behavioral Severity Index, and in some cases the difference between the two groups was substantial.

Mental Health Status of Types of Homeless People

This section essentially extends the discussion of our attempt to identify similarities and differences between the types of homeless people we interviewed. In the analysis presented here, we examine the mental health status of our respondents, principally as measured by the Psychiatric Severity Index and the Behavioral Disturbance Index, by the types of homelessness categories defined earlier in the report. To restate, those categories were: 1) Street People—individuals who were interviewed on the street and who indicated that they did not use shelters; 2) Shelter People—respondents who used shelters, and 3) Resource People—those who stayed in cheap hotels/motels or with family or friends and did not use shelters.

Table MHS30 displays the psychiatric severity breakdown by the three types of homeless respondents. The information in this table indicates that minimal differences exist between these groups. The percentage of respondents who had no problem symptoms is nearly the same for each group, the difference separating the three groups being less than five percent.

Table MHS30

Psychiatric Severity by Type of Homelessness

# SYMPTOMS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
0	94	67.6	390	89.4	175	72.3	659	69.9
1	23	16.5	100	17.8	40	16.5	163	17.3
2	16	11.5	53	9.4	20	8.3	89	9.4
3	6	4.3	14	2.5	7	2.9	27	2.9
4	0	0.0	5	0.9	0	0.0	5	0.5
Total	139	99.9	562	100.0	242	100.0	943	100.0

The magnitude of problem severity is also similar in each group. At each level of severity, response percentages are equivalent or very nearly so. The only possible notable characteristic of these data is that the five most disturbed respondents were interviewed in a shelter setting.

The data in Table MHS31 present a more detailed view of the psychiatric symptoms of the groups. The data presented are percentages of respondents who scored at the moderate or above level on the specific PSS scales used in the Psychiatric Severity Index. The groups are quite similar on the Suicide-Self-mutilation, Suspicion-Persecutions-Hallucinations and Grandiosity scales. On the Depression-Anxiety scale, however, the differences between Street People and both the Shelter and Resource groups are notable, six percent and eight percent, respectively. This finding would be consistent with the notion that street life is more uncertain and stressful and would be likely to elicit both depressive and anxious responses from "street" type respondents.

Table MHS31

Percentage of Respondents Scoring Moderate and Above
on Psychiatric Symptom Scales by Type of Homelessness

SCALE	STREET	SHELTER	RESOURCE
Depression-Anxiety	23.7	17.6	15.7
Suicida-Self-mutilation	2.9	3.7	2.5
Suspicion-Persecutions-Hallucinations	21.6	19.9	17.4
Grandiosity	4.3	6.4	6.2

The Behavioral Disturbance Severity Index broken down by type of homelessness is presented in Table MHS32. These data suggest that differences between the groups do exist in this domain, with Street People appearing much more behaviorally dysfunctional than either the Shelter group or the Resource group. In fact, 71.1 percent of the Street respondents had at least one problem symptom, compared to 51.0 percent of the Shelter group, and 50.9 percent of the Resource group. The difference of approximately 20 percent for each comparison indicates that Street People have substantially more behavioral problems than other respondents.

Table MHS32

Behavioral Disturbance Severity by Type of Homelessness

# SYMPTOMS	STREET		SHELTER		RESOURCE		TOTAL	
	Number	%	Number	%	Number	%	Number	%
0	40	28.8	275	48.9	119	49.2	434	46.0
1	38	27.3	131	23.3	50	20.7	219	23.2
2	26	18.7	80	14.2	28	11.6	134	14.2
3	21	15.1	44	7.8	28	11.6	93	9.9
4	12	8.6	28	5.0	10	4.1	50	5.3
5	2	1.4	4	0.7	7	2.9	13	1.4
Total	139	99.9	562	99.9	242	100.1	943	100.0

Table MHS33 presents a more detailed examination of group differences in the behavioral disturbance area. Overall, the Street respondents have proportionally higher numbers on the five scales, which is consistent with the Behavioral Severity Index finding discussed above. Comparing the Shelter group to the Resource group, it appears that Shelter People are, to a small extent, less dysfunctional than the Resource People since they have lower percentages on four of the five scales. The exception is Retardation-Lack of Emotion, where the Shelter group percentages are slightly higher.

Table XXXI

Percentage of Respondents Scoring Moderate and Severe on Behavioral Measurement Scales by Type of Homelessness

SCALE	STREET	SHUTTER	RESOURCE
Inappropriate Affect, Appearance or Behavior	21.8	21.4	26.8
Agitation-Excitement	21.8	17.4	21.5
Restlessness-Lack of Focus	21.1	21.8	18.4
Speech Disorganization	42.5	27.8	28.1
Disorientation-Memory Impairment	21.7	24.1	18.5

The principal scales upon which Street People differ from other respondents are Inappropriate Affect, Appearance or Behavior and Speech Disorganization. On the Inappropriate Affect, Appearance or Behavior scale, the percentage difference between Street and Shelter respondents is 13.8 percent, and the Street and Resource difference is 12.8 percent. The Speech Disorganization scale has the highest percentage of respondents for all groups, with the difference between Street and Shelter People being 14.5 percent, and the Street and Resource difference being 14.4 percent.

In summary, there are meaningful mental health status differences between the types of homeless people we interviewed. The most obvious of these differences exists between Street People and the Shelter and Resource groups. Street People tend to be slightly more depressed and anxious and are clearly more behaviorally dysfunctional than the other two groups. As noted above, this finding is consistent with the idea that life on the street is stressful and causes or serves to maintain both psychiatric and behavioral problems.

Correlates to the Mental Health Status of Homeless People

Backrach (1994, p. 912) has suggested that an area of needed research about the condition of homelessness should focus on how demographic profiles differ between those homeless people who are mentally ill and those who are not. What follows is a discussion of our attempts to address this gap in understanding through the development of a statistical model that relates a series of characteristics and conditions of homeless people to a measure of their mental health status. Our attempt here was to represent the multidimensionality of the relationship between the homeless condition and mental health.

The approach employed to do this analysis is called hierarchical regression using sets (Cohen & Cohen, 1975, p. 127). Hierarchical regression is simply an extension of multiple linear regression, the difference being that in the hierarchical approach, a series of models are identified with a new variable added to each subsequent model. The focus of the analysis is on the increase in the explanatory capacity of the model with the new variable added. This logic can be extended to sets of variables where the interest is in how much improvement in explanation is obtained with the addition of a variable set.

For this analysis, five variable sets were identified. The first of these is called the Demographics set and is composed of respondents' sex, age, marital status, ethnicity and military service experience. It is important to note here that some of our measures are categorical and thus required recoding in order to be used in the analysis. For two-

-response category variables, a simple dummy code was used. For multiple response variables, an effects coding scheme was employed (see Cohen & Cohen, 1975, pp. 188-195).

The second set identified is called Homelessness and includes type of homelessness, degree of transience and time spent homeless. The third set is called Resources and is measured by respondents having worked in the past month, had income, having friends to count on and having relatives to count on. The fourth set is called Problems, and it includes hospitalization, jail or prison, medical problems, drugs, and having sought help for drinking. Finally, a Subjective Rating of Life Experience set was identified and included the general well-being questions.

The dependent variable used in the analysis is the PSS scale measuring Depression-Anxiety. The use of this scale as the proxy for mental health status was based on two considerations. First, a number of epidemiologists have agreed that the symptoms of depression and anxiety are often present in many forms of mental illness and have a high prevalence in general populations (American Psychiatric Association, 1978; Roth, et al., 1972; Ware, et al., 1979; Warheit & Bell, 1979). The second consideration was more practical and was concerned with the distributional properties of our symptom scales. The Depression-Anxiety scale was the least skewed of our measures and was, therefore, likely to give a more accurate measure of relationship than a more highly skewed PSS scale.

Table MHS34 presents the results of the analysis. The variable sets are listed in the order in which they were included in model building. For example, Demographics and Depression-Anxiety were examined first. Then Homelessness was added at the second step and its contribution to explanation was observed. Resources, Problems and Subjective Rating were entered at the third, fourth and fifth steps, respectively. In the table, two statistical values are noted. R^2 is the measure of the explanatory power of the variables in the model at that step. The Increment value is the measure of how much explanatory power is represented by the addition of the set, over and above information entered prior to that step. The following interpretation should clarify the method.

For the variable set Demographics, the R^2 value of .042 indicates that slightly more than four percent of the variance of the Depression-Anxiety scale can be explained by demographic information. Since the maximum R^2 value obtainable is 100 percent and the minimum is zero percent, this R^2 indicates that a knowledge of these demographic variables does not substantially assist in our understanding of depression and anxiety in homeless people. While it is the case that the R^2 is low, two demographic variables appeared to be related to the Depression-Anxiety scale. Specifically, it was found that divorced or separated, or white respondents tended to be more depressed or anxious than other respondents.

When the variable set Homelessness is added to the model, R^2 increases to .07. The increment to R^2 attributed to this set is .028, which means that the ability to explain Depression-Anxiety is only slightly increased (by 3%) by the information conveyed in the set. Interestingly, while the increment is small, all three measures were systematically related to the Depression-Anxiety scale. Street People who were more transient in their moving around and who reported having been on the street for a longer time tend to have higher scores on the scale.

Table MHS34

Hierarchical Set Analysis of Depression-Anxiety
in Homeless People

VARIABLE SET	DEPRESSION-ANXIETY
<u>Demographics</u>	
R ²	.042
Sex	—
Age	—
Marital status	divorced, separated
Ethnicity	white
Military service	—
<u>Homelessness</u>	
R ²	.070
Increment	.028
Type of homelessness	street
Degree of transience	higher
Time spent homeless	longer
<u>Resources</u>	
R ²	.100
Increment	.030
Worked	no
Had income	yes
Had relatives	no
Had friends	no
<u>Problems</u>	
R ²	.196
Increment	.096
Hospitalized for psychiatric problems	yes
Been in jail or prison	—
Medical problems	yes
Taken drugs	—
Sought help for drinking	yes
<u>Subjective Rating of Life Experience</u>	
R ²	.394
Increment	.198
Rating of well-being	negative
Rating of life satisfaction	negative

At the next step, Resources, added a further three percent to the model. Again, although modest overall, each variable in the set was related to Depression-Anxiety. People who had not worked, who reported having had some income and who did not have relatives or friends upon which they could count, tended to have higher Depression-Anxiety scores than other respondents. Except for the income variable, the relationship of these

variables to Depression-Anxiety seems consistent with what might be expected, that is, that a lack of resources contributes to increased depression or anxiety in a person. The inverse relationships between income and Depression-Anxiety is more difficult to explain. One interpretation is that minimal financial resources accentuate the financial plight of homeless people. Paradoxically, they may have enough money to know it isn't enough to live on.

With the addition of the Problems set, a substantial jump in R^2 occurs. The increment value of .096 indicates there is almost a ten percent increase in the variance explained in depression and anxiety through the addition of this set to the model. Three variables account for the increase. It appears that respondents who had been hospitalized for psychiatric problems, had medical problems and who had sought help for drinking were more likely to be depressed or anxious. Neither jail or prison experience nor drug usage were shown to be related to this symptom area.

Finally, when the Subjective Rating of Life Experience set was added, R^2 rose dramatically to .394, an increase of nearly 20 percentage points in the variance explained in Depression-Anxiety. Both measures in this set were related to the symptom area, and it was the case that a negative rating of well-being and of life satisfaction correspond to increased scores on the Depression-Anxiety scale.

Taken as a whole, an impressive 39.4 percent of the variance in Depression-Anxiety can be accounted for by the full model. The variables that relate to depression and anxiety and the direction of their relationships are consistent with the types of relationships one would see in the general population. A point to be made from this analysis is that there do not appear to be relationships expressed between the characteristics of homeless people and their mental health that are remarkably different or abnormal from people who have places to live. The only difference is the modest contribution of the Homelessness set to Depression-Anxiety, where it appears that mental health status is negatively affected by virtue of being homeless, certainly an understandable relationship. Beyond that, it is no surprise to find that a lack of financial and social resources, prior psychiatric problems, medical or drinking problems and a negative rating of well-being and life experience all contribute to more depression and anxiety in homeless people.

HOSPITAL SURVEY RESULTS

Direct admissions to adult state psychiatric hospitals were monitored for six months to determine the number and proportion of individuals who were homeless at the time of their admission. Overall, 6.7 percent of all admissions to these hospitals were defined by hospital social workers to be homeless at the time of their admission (Table H1). Almost all hospitals admitted some homeless individuals during that period, except Longview State Hospital and Western Reserve Psychiatric Habilitation Center, which have a limited receiving function and very few direct admissions, most of the patients being transferred from other institutions. The proportion of homeless admissions to other hospitals ranged from a low of 0.8 percent at Woodside Receiving Hospital, to a high of 11.3 percent at Central Ohio Psychiatric Hospital. At least part of this variation could be explained by differences in the socioeconomic characteristics of the populations served by these hospitals. Most of the institutions with higher proportions of homeless patients admitted cover large metropolitan areas where the proportion of homeless individuals in the general population is expected to be higher (such as Central Ohio Psychiatric Hospitals, Rollman Psychiatric Hospital, Dayton Mental Health Center, etc.). Portsmouth Receiving Hospital, on the other hand, serves a rural area, but with a very low socioeconomic status population. At Woodside Receiving Hospital, however, serving a population both urban and poor, the proportion of homeless patients admitted was unexpectedly low (0.8%).

Table H1
Patients Who Were Homeless at Admission to State Psychiatric Hospitals
March 15 - September 14, 1984

INSTITUTION	Number Admissions	Number Homeless	Percent Homeless
Cleveland Psychiatric Institute	1,690	93	5.5
Fallsview Psychiatric Hospital	969	77	8.0
Portsmouth Receiving Hospital	348	34	9.8
Rollman Psychiatric Institute	810	78	9.6
Woodside Receiving Hospital	651	5	0.8
Athens Mental Health Center	219	15	6.9
Central Ohio Psychiatric Hospital	803	91	11.3
Cambridge Mental Health Center	362	12	3.3
Dayton Mental Health Center	519	44	8.5
Longview State Hospital	41	----	0.0
Massillon State Hospital	180	20	11.1
Toledo Mental Health Center	746	23	3.1
Western Reserve Psychiatric Habilitation Center	42	----	0.0
TOTAL	7,380	492	6.7

In addition to determining whether patients were homeless at the time of admission, social workers categorized these individuals into the four levels of homelessness delineated in the initial research design. Most of the homeless patients fell into two of the categories. Level 1 (limited or no shelter) accounted for 37 percent of the homeless admissions, while 36.6 percent fell into Level 4 (others/with family or friends). Level 2 (shelter or mission) accounted for 17.5 percent of the homeless admissions, and only 8.9 percent of those individuals who were homeless at the time of admission were in Level 3 (cheap motels and hotels). From the brief unstructured descriptions of the residential status of these patients provided by many of the social workers as supporting data, two distinct patterns of homelessness for hospitalized individuals seemed to emerge:

- 109 patients (22.2%) had a history of eviction or loss of residence concurrent with the worsening of their psychiatric status, resulting in aggressive or otherwise intolerable behavior (beating up relatives or roommates, being destructive to the apartment, etc.); these patients were living more often with relatives or friends for relatively short periods of time (Level 4) at the time of admission.
- 96 patients (19.5%) were described as migrants, moving from place to place and in many instances from state to state, apparently incapable of settling down; they were generally less severely disabled than those in the previous group and used to living more frequently on the streets (Level 1), in public shelters (Level 2) or in cheap motels for short periods of time (Level 3).

Another category of admissions deserves attention despite the fact that patients in this category did not qualify as homeless according to the study criteria (and were not considered as such). The 90 patients in this group were initially misreported as homeless because they were considered by the hospital social workers as potentially homeless at discharge. Most of these subjects (78 persons, 86.7% of the group) were not able to return to their previous residence either because they had been evicted/removed from their homes the day they were admitted to the hospital, or because the persons who owned or were in charge of their residences would not accept them back. The remaining twelve patients in this group (13.3%) actually had a residence they could return to, but were living alone and were incapable of caring for themselves because of their deteriorated functional status. The total number of individuals who would be homeless if discharged is undoubtedly significantly greater, since this group of patients was detected by chance, as an artifact of the study.

COMMUNITY SURVEY RESULTS

Among the patients discharged from state psychiatric hospitals to the sample areas during FY 1982-1983, 5,448 (60.8%) have been identified in the active files of the community mental health agencies in urban areas, and 597 (70.9%) in those of the community agencies in non-urban areas. (See Tables C1 and C2.) A relatively small but significant proportion of the patients discharged were identified as having become homeless by the community mental health agencies at some point after discharge from the hospital.

Table C1

Individuals Identified as Homeless Following Discharge from State Psychiatric Hospitals in FY 1982-1983

COUNTY	Discharged from Hospitals	ON ACTIVE CASELOAD		HOMELESS	
		No.	% of	No.	% of
			Discharged		Discharged
Cuyahoga	4,253	2,682	63.1	118	2.8
Franklin	1,673	1,077	64.4	103	6.1
Hamilton	1,934	1,092	56.5	73	3.8
Lucas	<u>1,099</u>	<u>599</u>	<u>54.5</u>	<u>36</u>	<u>3.3</u>
Total Urban	8,959	5,448	60.8	330	3.7

Table C1

Individuals Identified as Homeless Following Discharge from State Psychiatric Hospitals in FY 1982-1983

NON-URBAN AREA	Discharged from Hospitals	ON ACTIVE CASELOAD		HOMELESS	
		No.	% of	No.	% of
			Discharged		Discharged
Northwest	131	80	61.1	4	3.1
Northeast	126	106	84.1	13	10.3
Central	74	56	75.7	2	2.7
Southwest	147	81	55.1	5	3.4
Southeast	<u>364</u>	<u>274</u>	<u>75.3</u>	<u>9</u>	<u>2.5</u>
Total Non-Urban	842	597	70.9	33	3.9

There were 330 homeless individuals (3.7% of those discharged) identified in urban areas, and 33 (3.9% of those discharged) in non-urban areas. Although the proportion of patients discharged who were found homeless was very similar (3.7% and 3.9% respectively), these individuals were actually more than twice as numerous compared to the population in

urban areas (8.9 per 100,000 population) than in non-urban areas (4.1 per 100,000 population). The latter finding is consistent with the rates of patients discharged during the study period, which were 242.7 per 100,000 population in urban areas and 105.0 in non-urban areas.

Within urban and non-urban areas, there was a great variation in the proportion of individuals identified as homeless after discharge, across geographical areas. In urban areas, the proportion ranged from 2.8 percent in Cuyahoga County to 6.1 percent in Franklin County, while in non-urban areas it ranged from 2.5 percent in the Southeast Region to 10.3 percent in the Northeast Region. Part of this variation is attributable to actual differences in the proportion of individuals discharged who became homeless. Some of the urban community mental health agencies serving populations in low socio-economic areas have identified significant numbers of homeless subjects among the patients discharged, such as Columbus Area Community Mental Health Center in Franklin County (58 persons), Westside Community Mental Health Center and Community Guidance Center in Cuyahoga County (42 and 39 persons, respectively), Mental Health Services Northwest in Hamilton County (18 persons), Comprehensive Alcoholism Service Systems in Lucas County (23 persons), etc. Surprisingly, however, other agencies serving similar populations did not identify any homeless subjects among the patients discharged, such as the Northeast Community Mental Health Center in Cuyahoga County and the Zepf Community Mental Health Center in Lucas County. For non-urban areas, the greatest number of homeless individuals among the patients discharged was identified by the Guidance Center of Ashland in Northeast Region (13 persons), an agency very knowledgeable about the residential status of its clients.

Apart from real differences in the proportion of patients who became homeless following discharge in various areas, significant biases may have resulted from the following circumstances:

- a) Differences in proportions of patients who never contacted community mental health agencies after discharge or contacted agencies in areas different from their original residential areas.
- b) Differences between community mental health agencies in their knowledge about the residential status of their clients. We estimate this to be the most significant source of bias responsible for unexplained differences in proportion of homeless individuals identified in various areas.
- c) Some community mental health agencies in urban areas have failed to provide us with this information so far. This bias is probably responsible for some of the unexplained differences between the proportions of homeless individuals in various areas, as well as for the difference between the proportion of patients discharged who were found on the active caseload of community agencies in urban areas and those in non-urban areas.

In addition to determining whether individuals in the discharge sample were homeless, community mental health agency personnel were asked to categorize those individuals into the four levels of homelessness delineated in our initial research design. As can be seen in Table C3, those patients who became homeless in urban areas were almost equally likely to be living on the streets (Level 1--32.7%), in shelters (Level 2--29.1%) or for brief periods with family and friends or in other unique situations (Level 4--32.7%). In contrast, as Table C4 shows, nearly half (48.5%) of the patients who became homeless in non-urban areas were in Level 4.

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Table C3

Individuals Identified as Homeless Following Discharge from State
Psychiatric Hospitals, by Level of Homelessness

Urban Areas

COUNTY	Total Homeless Individuals	LEVEL OF HOMELESSNESS			
		1	2	3	4
Cuyahoga	118	32	35	11	40
Franklin	103	26	22	2	33
Hamilton	73	26	16	3	28
Lucas	36	14	11	2	9
Total	330	108	96	16	103
Percent by Level of Homelessness		32.7	29.1	5.5	32.7
Percent of Discharged		1.2	1.1	0.2	1.2

Table C4

Individuals Identified as Homeless Following Discharge from State
Psychiatric Hospitals, by Level of Homelessness

Non-Urban Areas

NON-URBAN AREA	Total Homeless Individuals	LEVEL OF HOMELESSNESS			
		1	2	3	4
Northwest	4	1	2	1	
Northwest	13	2	1	2	7
Central	2	—	—	—	2
Southwest	5	1	1	—	3
Southeast	9	2	1	2	4
TOTAL	23	6	5	4	10
Percent by Level of Homelessness		26.2	22.2	16.2	44.4
Percent of Discharged		5.7	5.2	4.9	14

SUMMARY OF RESULTS

Perhaps the most important findings of the research are that homelessness is a multi-faceted issue, that homeless people have a variety of problems, and that there are subtypes within the homeless population which need to be distinguished in order for the phenomenon of homelessness to be more fully understood.

The Homeless Person Survey

After hearing at length from nearly 1000 homeless people across Ohio, economic factors emerged as a primary theme. For half the group, economic reasons were the major cause of their homelessness, and nearly one quarter (21.3%) cited family conflict as the reason they were without a home.

Many of the stereotypes of homeless people in the popular literature were not supported by study findings. Our group was less mobile--most had stayed in two or fewer places in the past month--and less transient than might have been expected: 63.5 percent had either been born in the counties in which they were interviewed or had lived there longer than a year. Most (87.3%) had worked at some point in their lives, and a quarter had worked for pay in the past month. Nearly half of those who had been employed in the past but were not working now said they had looked for a job but had been unable to find one. Almost two-thirds (63.4%) had some source of income in the past month, primarily from welfare, earnings or Social Security. The picture that emerges is one of a largely indigenous population made up of people who are not totally without funds but whose income is not sufficient to pay for permanent housing.

In addition to their lack of housing, jobs, and resources, homeless people have a variety of other problems. Only a third (36.0%) said they had relatives they could count on, and 41 percent said they had friends they could count on. This seems to indicate that not all homeless people are isolated from social support as has been portrayed in the popular literature. However, comparative data from a needs assessment in five rural Southern Ohio counties provides a more realistic contrast. In that study, 92.4 percent of the general population said they had relatives they could count on and 94.9 percent said they had friends. A third of our sample (30.7%) had physical health problems, and almost an equal percentage (30.8%) had psychiatric problems. Thirty percent had had a psychiatric hospitalization. Well over half (84.2%) said they had been drinking some or a lot in the past month, and 26.6 percent indicated they had sought help for a drinking problem at some point in their lives.

Differences Between Urban and Non-Urban Homeless People

Differences were found between urban and non-urban (those from mixed and rural counties) homeless groups on some of the study variables but not on others. While nearly half of both groups cited economic reasons as the primary cause of their homelessness, family problems was a greater cause in non-urban areas (28.6%) than in urban areas (19.5%). Respondents in the urban counties (42.3%) were far more likely to report that they were born in the county in which the interview took place than were respondents in non-urban counties (28.6%). Of those individuals who were not native to the county, non-urban homeless people (49.6%) were more likely to have migrated from elsewhere within Ohio. By contrast, non-native urban homeless people (65.2%) were more likely to have come from another state. Urban homeless people (22.1%) were more likely than non-

urban people (8.1%) to have migrated seeking work, while non-urban people (43.7%) were more like than their urban counterparts (19.7%) to have moved to be near friends or relatives.

A high percentage of both urban and non-urban homeless people had held a job at some point in their lives, but non-urban respondents (32.8%) were more likely than urban respondents (22.2%) to have worked for pay in the past month. For those not now working, 61.8 percent of non-urban people and 43.9 percent of urban people said they had looked for work but were unable to find a job. Non-urban respondents (79.4%) were more likely than urban respondents (59.8%) to report having had income the past month, but welfare and earnings were the major sources for both groups.

There were substantial differences evidenced in social support networks. Non-urban homeless people were ten percent more likely to say they have relatives they can count on and twenty percent more likely to say they have friends they can count on for help. Nearly one quarter of urban homeless people said they had no relatives, in contrast to 9.5 percent of non-urban homeless people. Rates of physical health problems, psychiatric problems and psychiatric hospitalization did not differ substantially, but urban respondents were somewhat more likely to report problems with alcohol use.

Types of Homelessness

Three distinct sub-types of homeless people emerged out of the data analysis: Street People, who do not use shelters, Shelter People, and Resource People--individuals who do not use shelters and are able to stay in cheap hotels or with family and friends for short periods of time. Resource People were found to have been homeless for a shorter period of time (median of 35 days) than Street People (median of 60 days) or Shelter People (median of 90 days), but there were no substantial differences across groups in their reasons for homelessness. Street People and Resource People were slightly more likely to be native residents of their counties, but the differences were not large.

Over ninety percent of Shelter People had had a job at some point in their life, compared to 81.8 percent of Resource People and 77.7 percent of Street People. While two-thirds of the overall homeless group said they had income the past month, there were differences in percentages among Street People (49.6%), Shelter People (62.6%) and Resource People (73.6%). The major sources for all groups were welfare and earnings.

In the area of social support, there were only small differences among the three types of homeless people in percentages reporting that they had family or friends they could count on. Street People had the lowest percentages, followed by Shelter People and Resource People. Small differences were also recorded in percentages reporting health problems (21.9% of Resource People, 33.3% of Shelter People, and 36.0% of Street People), and psychiatric hospitalization (20.7% of Resource People, 27.3% of Street People and 32.7% of Shelter People), but there were no differences in levels of psychiatric problems across the three types. More Street People reported alcohol use, but Shelter People (31.6%) and Street People (25.9%) indicated that they had sought help for a drinking problem more than Resource People (12.4%).

Homelessness and Mental Health

The relationship between homelessness and mental health is one about which many stereotypic perceptions exist. The more recent literature about homelessness is replete with references to the notion that most, if not all, homeless people are mentally disabled and are either former mental patients or are in need of mental hospitalization. Data from our study do not support these views about homeless people.

As indicated previously, 29.9 percent of our respondent group said that they had experienced at least one psychiatric hospitalization in any type of facility. Eighteen percent of the overall sample indicated that they had been in a state mental hospital, with a median number of hospitalizations of two. Most of the state-hospitalized respondents were last released in 1983 or 1984 (45.5%), but nearly one-fourth (23.9%) were last released in 1978 or earlier. Upon their last release from a state hospital, 60 percent of the respondents said that community living arrangements had been made for them, and most (88.0%) went to the place arranged.

The conclusion that most homeless people are "deinstitutionalized" simply does not emerge from these data. The numbers given above do not correspond to a widespread and systematic contribution to homelessness by Ohio's state hospitals and community mental health system. Only six percent of our total respondent group reported having been last hospitalized during the period 1960-1980 when the state hospital system census had a dramatic decline. Since 1980, there has been only a minimal decline in state hospital populations with an increased emphasis on community-based care. Compared to the pre-1980 time period, since 1980 only a slightly higher percentage of our total respondent group (10.7%) were found to have been last released from a state hospital. Also, in the survey of community mental health agencies, it was determined that approximately four percent of the patients discharged from state hospitals during FY 1982-1983 were found to be homeless.

In terms of current mental health status, the study measured ten symptom dimensions through use of the Psychiatric Status Schedule. The scales employed to assess these symptoms were more meaningfully combined into two summary indices, a Psychiatric Severity Index and a Behavioral Disturbance Severity Index. Of the overall respondent group, 30.8 percent exhibited the presence of at least one symptom in the Psychiatric Severity Index at the level of moderate and above. In our opinion, based on the types and extent of problems measured by these scales, this group of respondents would likely require some form of mental health service.

On the Behavioral Disturbance Severity Index, 53.7 percent of the respondents exhibited at least one symptom at the level of moderate and above. Interpreting these data as a measure of mental health needs was a more difficult task because the areas measured were complexly intertwined with the stresses and demands of a homeless lifestyle. While it is true, for example, that a dirty or disheveled appearance, inappropriate behavior, flattened affect, and the like can be considered as signs of a mental disorder, they can also be seen as the results of difficult circumstances in which homeless people find themselves.

It is again the case that study findings stand in contrast to current views about homeless people. The idea that most homeless people are mentally ill and in need of mental hospitalization is not supported by the data. In fact, study findings can be compared to a recent general population mental health assessment (Myers, et al., 1984) which gives a 20 percent prevalence rate of mental disorder. Using this as a base, it can be said that the prevalence of mental disorders among homeless people is somewhat higher than that found in the general population.

The subjective rating of mental health and life satisfaction by homeless respondents was important to assess because of the perception of some people that homeless people tend to be that way by choice and must be, therefore, generally satisfied. On the rating of life satisfaction, 33.5 percent of the respondents said they were very or somewhat satisfied with their life. In response to the question about the rating of nerves, spirits, outlook or mental health, 40.4 percent of the responses indicated their response to be excellent or good.

These figures, standing alone, show that not every homeless respondent views his or her condition or life in negative terms. However, when compared to general rural population figures, a dramatic change in interpretation occurs. For example, on the life satisfaction question, 36.5 percent of the respondents in a general population survey in rural Ohio indicated they were either very or somewhat satisfied with their life. This is a 23 percent increase over the homeless group of respondents. On the mental health rating, 28.4 percent of the general population respondents fell in the categories of excellent and good, a percentage difference of 45 points compared to homeless respondents. These data suggest clearly that while some homeless persons do not tend to rate their experience in negative terms, they do tend to be much less satisfied than at least the rural general population with their life and less favorable in the rating of their own mental health.

DISCUSSION AND SERVICE IMPLICATIONS

Understanding what the extensive data we collected say about homelessness in Ohio has been and will continue to be a difficult task. The complexity of the problems experienced by homeless people must be unraveled and understood by public policy makers and service providers if effective and enduring solutions are to be found. At this point, we have only scratched the surface about how our study can inform planning.

While admittedly preliminary, this section of the report addresses what we think are key facts and issues that must be considered as responsive services and programs are conceived. First, we present an effort to develop a general picture of the needs of Ohio's homeless people through a summary problem inventory. Next, we discuss some service decision and delivery implications indicated by our study findings and by perspectives about where change should occur. Finally, we present a proposed planning framework that we think will result in responsive services to homeless people.

A Problem Inventory

In an initial effort to distill meaning from our data, we have organized major findings into a problem inventory (see Table D1). This inventory communicates very important messages about homelessness in Ohio, or at least about the nearly one thousand homeless people we interviewed. As a needs statement, it presents the proportion of our homeless respondents who were experiencing, at the time of the interview, problems in each area. Further, the percentages in each area provide a means to rank or order problems in terms of their magnitude and, therefore, how they should be emphasized in policy and program development.

Table D1

**Problem Inventory of Homeless People in Ohio
(N=979)**

AREA	% Reporting Problems
HOUSING	100.0
EMPLOYMENT	
- No work for pay during last month	75.3
- Looked, could not find work	29.5
- Disabled, could not work	13.0
- Do not want to work	3.0
- Not job ready	5.0
SOCIAL SUPPORT	
- No relatives, or cannot count on relatives	64.2
- No friends, or cannot count on friends	58.1
- Neither friends nor relatives, or cannot count on friends or relatives	43.1
DRUG/ALCOHOL USE	
- Any type of drug or medication use	32.2
- Trouble with drugs or medications	4.8
- Reported alcohol use	64.2
- Reported having sought alcohol treatment	26.6
- Reported both alcohol and drug or medication use	2.2
PHYSICAL HEALTH	
- Any type of physical health problem	30.7
MENTAL HEALTH	
- Psychiatric symptom presence requiring service	30.8

The first and most pressing need of the people we interviewed is for a permanent, adequate home. While it is a statement of the obvious, that is, to be included in the study interviewees had to be without a home, the implications for policy makers and service deliverers is clear--in Ohio there are people who lack the assurity of one of the most basic human needs, that of adequate shelter. "Housing needs" is used in the broadest sense. We think that homeless people require different types of housing, ranging from simply affordable dwellings to more structured, sheltered settings operated by various human services agencies. It was evident from our study that homeless people are resourceful and either improvise temporary quarters, use public shelters, or stay with family and friends. However, all of the situations we encountered in the course of our research were temporary and offered only a stop-gap answer to an immediate problem.

Second, the percentage of homeless persons who had not recently worked was large. We used the response to the question as to whether or not a respondent had worked for pay during the past month to rank this question, and it can be seen that just over 75 percent reported that they had not worked. Many reasons for not working were voiced and, when considered together, they suggest that employment and job services for homeless people are desperately needed. Our data suggest that these services should be broadly defined to include those related to the individual such as training, job-seeking skills and job maintenance skills, as well as those related to potential employers of homeless people such as job identification and development. It is not the case that we think all homeless people should have jobs. For those disabled, it may not be a viable expectation. We do believe, however, that access to gainful employment should be assured.

Next was the fact that a large number of our respondents had minimal social support in terms of having any family and friends, or having friends or relatives upon whom they could rely. We used responses to the question about relatives to rank this area because usually, families provide more direct assistance and support to other family members than friends. It is also the case that 58.1 percent of our respondents did not have friends, or friends they could count on, and that 43.1 percent had neither friends nor relatives, or friends and relatives upon whom they could count. These data indicate that homeless people experience isolation and a lack of meaningful social contact to a large degree. Given recent findings that social support is often the key factor in the ability of marginal members of society to enjoy a meaningful and productive life, it seems necessary to consider how the concept can be translated into responsive services for homeless people.

A number of our respondents reported alcohol use. The percentage used to rank this question was obtained from the question about having used alcohol some, a lot, or none of the time. Sixty-four percent of our respondents indicated that they used alcohol some or a lot of the time. Alcohol use and homelessness are terms that tend to be thought of together and our data certainly support the notion that many homeless people consume alcoholic beverages. The extent to which it is a problem in their lives is less clear, since only 26.6 percent reported having sought treatment for alcohol problems. However, it seems evident that some level of alcohol services are needed for this group.

Drug use follows alcohol use in our listing with about 32 percent of our respondents reporting having used drugs. Data in this area are confounded by the fact that our question included prescription and over-the-counter drugs as well as illicit drugs. Whether prescribed or not, however, about one-third of the homeless group interviewed had available and used drugs, a fact that we think should be of interest to service providers. While only 4.8 percent of our group indicated trouble with drug use, we did not pursue this issue further and therefore the percentage is likely an under-estimate.

Mental health and physical health problems are virtually tied for the next position in the ranking, with slightly over 30 percent of our respondents indicating or exhibiting problems in each area. Physical health problems covered a range of disorders and diseases. The assessment of psychiatric symptoms among homeless people was completed through acceptable psychiatric epidemiologic methods and the study indicated that some homeless people presented symptoms that would require a mental health service. This finding stands in stark contrast to the opinion of many that all or very nearly all homeless people are mentally ill.

Service Design and Delivery Implications

In the literature on homelessness, a number of efforts have been made to identify program and policy areas within which services to homeless people should be identified. For example, New York Governor Mario Cuomo, in his report to the National Governor's Association Task Force on Homelessness (1983), indicated that the following seven national policy areas should be reviewed and reconsidered, if necessary:

1. adequacy of the number and quality of emergency shelters for single men and women, for families, for victims of domestic violence, and for youth;
2. adequacy of existing regulations and enforcement procedures to ensure minimal levels of decency in such facilities;
3. adequacy of discharge planning and aftercare--including appropriate residential placement--in psychiatric facilities;
4. adequacy and fairness of shelter and basic living allowances for those on public assistance;
5. adequacy and fairness of general relief regulations, especially as they affect the single, able-bodied man or woman;
6. adequacy and fairness of current housing policies, especially as they affect low-income individuals;
7. adequacy and effectiveness of monitoring and review procedures to ensure that government does not lose touch with the people affected by its policies." (p. 74)

More recently, the American Psychiatric Association (1984) listed a series of recommendations for policies and programs that meet the needs of that part of the homeless population which is mentally ill. They begin first with a major recommendation:

"To address the problems of the homeless mentally ill in America, a comprehensive and integrated system of care for this vulnerable population of the mentally ill, with designated responsibility, with accountability, and with adequate fiscal resources, must be established." (p. 5)

The following are identified as some derivative recommendations:

1. Any attempt to address the problems of the homeless mentally ill must begin with provisions for meeting their basic needs: food, shelter, and clothing.

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2. An adequate number and sample range of graded, step-wise, supervised community housing settings must be established.
3. Adequate, comprehensive, and accessible psychiatric and rehabilitative services must be available, and must be assertively provided through outreach services when necessary.
4. General medical assessment and care must be available.
5. Crisis services must be available and accessible to both the chronic mentally ill homeless and the chronic mentally ill in general.
6. A system of coordination among funding sources and implementation agencies must be established.
7. General social services should be provided." (pp. 5-9)

It is clear from the above that our study findings do not substantially conflict with either of these sets of recommendations. Homelessness in Ohio has been shown to be a multifaceted problem that will require complex solutions and a number of the areas in which solutions must be found have been identified by either Governor Cuomo or the American Psychiatric Association, or both.

Any quarrel we have with the recommendations would relate to how they might be emphasized in planning for services to homeless people. We think our study data indicate how various needs should drive the planning process and how resources should be linked to services. For example, it is our opinion that there is a need to adopt the view that the first and foremost concern expressed by homeless people is the need for a permanent place to stay and for resources sufficient to maintain that place. While all the other problems obviously require solutions, it is the housing and resource problem that must be addressed first in social policy. In fact, we would argue that an accurate assessment of the service needs of homeless people cannot occur until adequate housing and resources are made available to those people. It is very likely that an entirely different picture would emerge, and one that is much less dysfunctional, if people were to start first with basic resources.

A second point to be raised about how recommendations are emphasized in service planning is concerned with basic issues related to problem cause and social change. The various areas identified by Cuomo and the American Psychiatric Association imply certain solutions that need to be fundamental and far-reaching, and others that are temporary. For example, the construction of shelters and services provided within shelters should be seen as a temporary solution, since it in no way addresses essential questions about housing policies that have displaced and will continue to displace vulnerable people. Increased welfare benefits and access to those benefits, while important to homeless people in immediate need, cannot be seen as a replacement for more enduring policy changes that encourage and facilitate access to employment opportunities.

Further, the view of problem cause will affect potential solutions. At the risk of oversimplification, two views emerge from the various recommendations made about how to develop social service policy for homeless people. The first view can be identified as one that considers homelessness a response to social policies and processes that disenfranchise vulnerable people. Within this view, changes in economic, social and health policies in this country are the principal reasons why people are homeless. The alternative view suggests that homelessness is the result of severe personal deficits--

psychological, emotional, social, vocational. Within this perspective, the individual is seen to be the problem and the fact that the person is homeless clearly is an indication of something wrong with him or her.

The implications of these two views for planning policy are profound. The larger view, that policies contribute to homelessness, suggests solutions that are more structural and enduring. The individual focus tends to lead toward remedies that attend to the more immediate needs of homeless people, an obviously important focus, but often one that results in temporary or "bandaid" solutions. The real need is to proceed with policy development and program planning with the understanding that both perspectives must be included, balanced and acted upon. The problem of homelessness is both structural and individual, with the two areas interacting in complex ways that are only beginning to be understood. Neither can be assumed to be the exclusive reason why people are homeless.

A Proposed Planning Framework

In the final part of this report, we would like to advance a planning framework that incorporates what we know about the problems of homelessness in Ohio with the need to derive policies and programs that are both "structural" and "individual" in their focus. The first component of our framework is based on our needs data and policy and program focus. The relationship between these two areas is shown in Table D2. Simply stated, what this first component indicates is: 1) that policy and program areas should be prioritized by prevalence and, thus differentially emphasized in planning deliberations, and 2) that within each area, both "structured" and "individual" policy and programs should be defined. A principal assumption within this component is that "structural" policies and initiatives take precedence in guiding actions and that any "individual"-oriented programs should be considered only if they are consistent with fundamental, long-term solutions.

Table D2

SERVICE AREA	POLICY OR PROGRAM
Housing	Structural Policies: Programs:
Employment	Structural Policies: Programs:
Social Support	Structural Policies: Programs:
Drug/Alcohol	Structural Policies: Programs:
Physical Health	Structural Policies: Programs:
Mental Health	Structural Policies: Programs:

As a second component of the planning framework, it can be seen from this list of needs that services to homeless people will need to come from a variety of sources. In Ohio, a number of agencies, both public and charitable, have been identified as having the capacity to contribute to services for homeless people. It is essential to understand, however, that service responsibilities cannot be neatly compartmentalized within the

above potential service areas. Many agencies and organizations provide an array of services, some of which will fall into a number of the various needs categories. For example, the Ohio Department of Mental Health recognizes its responsibility not only to design policies and services that relate to mental health treatment, but also to provide the support and assistance needed for mental health clients to secure and maintain housing. Persons with chronic mental disabilities have few resources; they often have problems negotiating what they need and managing their personal lives. It is therefore necessary for the mental health system to design policy and programs to enhance the capacity of such vulnerable people to maintain a needed living situation.

As a final component of our planning framework, we have identified a range of issues that should guide action in the development of policies and programs for homeless people in Ohio. While these issues are fairly traditional topics in human services planning, the problem posed by homeless people requires careful attention and innovative thinking within each.

1. The multiple needs of homeless people must drive a comprehensive service design.
2. Services to address these multiple needs must be further differentiated by key characteristics of homeless people. There has been an unfortunate tendency to assume that all homeless people are alike. Our study findings highlight the fact that different needs exist for urban and non-urban homeless people and for those who live on the street, in shelters, or who have slightly more resources. We also assume that differences may be detected on the basis of other characteristics (such as sex, age or race) or combinations of characteristics.
3. The link between homeless people and various services, from both an accessibility and availability standpoint, will require innovative thought. We know from our study that homeless people in Ohio can be found in a tremendously wide range of settings and circumstances, and that bridging the gap between those settings and service delivery will likely be difficult.
4. Multiple needs, services, agencies, settings, and a difficult service group make the need for service coordination an absolute necessity. The success of any system designed to provide service to homeless people will hinge on its capacity to coordinate and share information, and maintain an open dialogue.
5. Proactive leadership in the formulation of policy and design of services is also a key component of potential success. In the public arena, such leadership has been lacking because to assert that role has been unfortunately seen as an admission of principal ownership of the problem. With the discovery of the multidimensionality of the problem, leadership can now be seen as facilitative to the development of solutions, not blamed as the cause.
6. The education and training of both policy makers and service providers about homelessness will be necessary. Data from the key informant component of our study indicate an unevenness about what people who ostensibly should know about homelessness do, in fact, know. It also appears that many of these people, some of whom will be key actors in

the planning process, share many stereotypic views about the condition of homelessness and its causes. Further, the traditional training of service providers will likely be insufficient for considering how to implement and provide services.

7. Finally, enduring and effective services to homeless people will only come about through public and private multi-level action. In the public arena, initiatives and actions on the federal, state, and local levels will be required. These activities need to be committed to substantial remediation of the homeless condition and, further, need to be addressed through reasonable levels of funding.

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EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM

701 North Fairfax Street, Alexandria, Virginia 22314-2045

3/22/88



Chair
Dennis Kesteloveh
Chief, Individual Assistance
Division
Federal Emergency
Management Agency
800 C Street, SW
Washington, D.C. 20472



Brother Joseph Berg
Associate Director for
Special Programs
National Conference of
Catholic Charities
1346 Connecticut Avenue, NW
Washington, D.C. 20006



Eric V. Bighnate
American Red Cross
17th & D Streets, NW
Washington, D.C. 20006



Robert M. Biggan
Senior Vice President
United Way of America
701 North Fairfax Street
Alexandria, VA 22314
Vr



Mary Anderson Cooper
Assistant Director, Washington Office
National Council of Churches
of Christ in the U.S.A.
110 Maryland Avenue, NE
Washington, D.C. 20002



Lt Col Ernest A. Miller
Director
National Public Affairs Office
Salvation Army
1025 Vermont Avenue, NW
Washington, D.C. 20006



Mark Tishman
Director
Washington ACTION Office
Council of Jewish Federations
227 Massachusetts Avenue, NW
Washington, D.C. 20002



Staff
William J. Fields
Secretary
United Way of America
(703) 836-7100
R

Karen Keefer
Disaster Program Specialist
Federal Emergency
Management Agency
(202) 287-6887

Honorable Edward Boland
Chairman, Subcommittee on HUD-Independent Agencies
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Boland:

In accordance with direction in House Report 98-916 and Senate Report 98-570, which accompanied H.R. 6040, the Supplemental Appropriations Bill, 1984 (P.L. 98-396), the National Board is submitting the enclosed "Study of Homelessness."

The study satisfies the Committee's request that the National Emergency Food and Shelter Board conduct a study, within the limited resources available, on the magnitude of the problem and address the report to Congress by the Secretary of Housing and Urban Development (HUD). Under separate cover the National Board will transmit an evaluation of the Emergency Food and Shelter program. The evaluation addresses the level of funds used to provide emergency food and shelter, but we were unable to determine a figure for reasons stated in the report. The transmittal of the evaluation also addresses the Committee's request that the National Board identify the agency in the Federal Government to address this problem on a long-term basis.

It should be noted that the National Board homeless study offers no definitive answers. The study is designed to shed some new light on a continuing problem. It is neither a rigorous research enterprise nor a formal policy analysis. Within the tight constraints of time and financial resources, it presents a broad picture of the problem of homelessness. The study has one primary objective: to probe the changes that have occurred in the past year in the homeless population.

If after reading the study you have any questions, please contact the Federal Emergency Management Agency's Office of Congressional Relations at 287-0400.

The National Board

Enclosure

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**The National Board
Emergency Fund and Student Program
Study of Recommendations**

March 1, 1965

National Board
Emergency Food and Shelter Program
Homelessness Study

Advisory Committee

Margaret Graham
President
Committee for Food and Shelter, Inc.
815 15th Street, N.W.
Suite 625
Washington, D.C. 20005

Pamela Howell
Executive Associate
Travelers Aid Association of
America
National Headquarters
125 South Wilke Road
Arlington Heights, Illinois 60005

Kim Hopper
Community Services Society
105 East 22nd Street
New York, New York 10010

David Racine
Director of Government Affairs
and Social Policy
American Public Welfare
Association
1125 15th Street, N.W.
Washington, D.C. 20005

Dr. Harvey Veith
Director
Health and Human Services
Office of Community Services
1200 19th Street, N.W., Room 556
Washington, D.C. 20506

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**National Board
Emergency Food and Shelter Program
Homelessness Study**

Staff

**William I. Fields
Secretariat
National Board
Emergency Food and Shelter Program
701 North Fairfax Street
Alexandria, Virginia 22314**

**Hedeleine N. Kimmich
Principal Investigator
P.O. Box 327
Washington Grove, Maryland 20880**

**Tim Baber
Consultant
135 Grandview Road
Ardmore, Pennsylvania 19003**

EXECUTIVE SUMMARY OF
THE NATIONAL BOARD
HOMELESSNESS STUDY

In January 1985, in response to a congressional request, the National Board Emergency Food & Shelter Program launched a brief examination of the problem of homelessness in the United States. Congress appropriated no funds for this purpose; therefore, the National Board took \$25,000 from its .75 percent national administrative cost budget to conduct a very limited study. The study focussed on two issues: the nature of the homelessness problem, and how the problem has changed in the past year (particularly, since publication of the 1984 HUD report on the homeless).

Methods

The National Board study is neither a rigorous research project nor a formal policy analysis; it offers no definitive answers. Rather, it is a broad and brief look at a complex problem, and offers a sometimes new perspective on the sheltered and the unsheltered homeless. Findings are based primarily on responses to a telephone survey conducted in late January and early February 1985, with two distinct samples of service providers. One group, the "National Board HUD sample," was drawn from an existing list of the universe of shelters in 60 metropolitan areas; the second group, the National Board EFSP sample, was drawn from the universe of recipients of National Board funds who had participated in more than one of the three Emergency Food & Shelter programs. Each sample was selected to assure appropriate representation of the major census regions, and to allow analysis by size of jurisdiction (i.e., population).

Thus, all estimates of the total United States are aggregated from individual estimates for each small, medium, and large jurisdiction.

Findings

- o The sheltered homeless have increased by approximately 16 percent since a year ago. (Caution: this does not mean the situation of the homeless is less serious; the homeless population has also grown, as noted below).
- o Increases were most often noted in the numbers of single men, single women, families, unemployed people, first-time shelter users, people with mental health problems, and people who have been recently evicted or relocated. [The unemployed were the predominant group among the sheltered a year ago; economic recovery appears not to have alleviated this problem among the homeless.]
- o Increasing numbers of people seeking shelter have been accommodated in two ways:
 - 60% of surveyed jurisdictions noted more shelter openings than closings in the past year (86% of large jurisdictions);
 - average monthly occupancy has increased from 70% a year ago to 92% in December 1984.
- o Despite the growth in shelters and increasing occupancy rates, the number of people turned away per shelter has increased since a year ago: 122 were turned away, per shelter, in December 1984, compared to 65 one year earlier.

All these factors combine to suggest increasing pressure on shelters from a growing and changing homeless population. Indeed, estimates from the chair-

people of the 9 largest local EFSP boards (a special approach used in place of National Board sample estimates) suggest that the total homeless population has increased by 22 percent since one year ago.

Conclusion

The population of homeless people -- both sheltered and unsheltered -- is clearly growing, despite the expansion of programs to prevent and to alleviate the problems that lead to homelessness. The precise parameters of the problem are exceedingly difficult to define. Homeless people do not readily identify themselves, making the task of counting them extremely difficult. The reasons are varied (e.g. fear for personal safety, avoidance of public scrutiny, etc.). Yet even this brief effort by the National Board indicates an intensifying of the need for shelter and for concerted efforts to address the root causes of homelessness. We count more and more homeless people every year, but they still remain largely uncountable -- the tip of a growing iceberg.

INTRODUCTIONBackground

Growing awareness of the problems of hunger and homelessness in the United States led Congress in March of 1983 to pass P.L. 98-8, creating an Emergency Food & Shelter Program and appropriating \$100 million, half to be disbursed through the states and half through a newly formed National Board. The National Board consists of representatives from the Salvation Army, the American Red Cross, the National Conference of Catholic Charities, the Council of Jewish Federations, the National Council of Churches, and United Way of America; it is chaired by a representative from the Federal Emergency Management Agency (FEMA), the lead federal agency responsible for both the State Program and the National Board Program. Funds provided by this act were available for use through March 1984.

Subsequent to the first appropriation for the Emergency Food and Shelter Program, Congress passed a supplemental appropriation of \$40 million in November 1983 (PL 98-151 and PL 98-181). These funds allowed additional food and shelter services to be provided through March 1984 which also marked the end of the initial program (PL 98-8). Some 85 million meals and 13 million nights of lodging were provided in these two rounds of funding.

Five months after the close of the earlier programs, Congress appropriated \$70 million to resume the provision of emergency food and shelter services through the end of the Federal fiscal year, September 30, 1985.

Accompanying the third round funding was Congress' request to the National Board to conduct a study of homelessness. Congress appropriated no funds for this purpose; therefore, the National Board took \$25,000 from its .75 percent national administrative cost budget to conduct a very limited study. In late January, the National Board launched its study of the problem of homelessness in the United States, building on its network of local service providers (funded under Round I, II and/or III of the Emergency Food and Shelter Program) and drawing on information from a 1984 study done by the Department of Housing & Urban Development. This report presents the findings from the National Board's study.

Purpose

The National Board's study of homelessness is designed to shed some new light on a continuing problem. It is neither a rigorous research enterprise nor a formal policy analysis; within the tight constraints of time and financial resources, it presents a broad picture of the problem of homelessness. The study has one primary objective: to probe the changes that have occurred in the past year in the homeless population, especially in that portion which is generally sheltered.

There are many important issues which this study does not address. It does not estimate the number of homeless people. It does not explore the causes of homelessness. It does not describe the range of approaches currently being used to address the problem, nor does it estimate the resources being expended or the additional amounts which might be required to meet "the need". Even in what it does do, this study does not pretend to give a definitive answer to the question -- how many more people are homeless now than were a year ago, or

ever has more homeless people are sheltered than were a year ago." The homeless are not a clearly separable segment of the population. In the report,

Homelessness in New York State, as clearly states:

"...the population of the technically homeless is drawing more and more from a largely uncountable population of nearly homeless people who are in most other respects indistinguishable from the rest of the low-income population."¹

Definitions

The technically homeless are those people living "on the streets" or in emergency shelters; those who, in seeking shelter, have no alternative but to obtain it from a private or public agency. Not included are people who have permanent shelter even though that shelter may be physically inadequate, whether because of overcrowding (described as "doubling-up") or because of insufficient heat or water. Such people may periodically become technically homeless, and, indeed, constitute a large "reservoir" of potentially homeless.

"The problem of homelessness is now in many cases the last stage of a process that begins in a crowded unit where two or more families share space for a time, until tension and inconvenience force the secondary tenants to move on. Or else it may begin with fire, with the cessation of heat or water, or with other conditions that make a unit uninhabitable. Those who are driven out for any of these reasons may move on to someone else's unit, and face more problems and tensions and eventually have to leave again. Or they may go directly to a shelter. In any case, for more and more families, the shelter eventually becomes the refuge of last resort."²

The sheltered homeless are those who take refuge in public or private emergency shelters, which may include: armories, schools, church basements, government buildings, or, when vouchers are provided, hotels, boarding homes, and apartments. Not included in this study's sample of shelters are shelters for runaway youth, long-term detoxification centers, drug rehabilitation programs, and half-way houses or other congregate care facilities for the physically and mentally handicapped.

CHANGES IN THE HOMELESS POPULATION

Estimating the scope and nature of the homelessness problem in the United States is a complex task, not easily tailored to scientific methods. Much of the phenomenon is invisible, insofar as people are not clearly separated into those who have homes and those who do not. The most visible part of the problem is people who come to public or private agencies seeking shelter. This group is hard to enumerate and describe too, because there exists no comprehensive list of shelters (which are constantly opening and closing), much less a uniform way for shelters to maintain records. Through this brief study conducted in early 1985, the National Board has developed one perspective on the problem of homelessness -- given all the difficulties inherent in such an endeavor. We report below changes in the size and nature of the sheltered population -- larger by approximately 16% compared to January 1984, increasingly including unemployed people, families, and people recently evicted or relocated -- and an estimate of the increase in the homeless population as a whole -- 22% -- since one year ago.

Methods

The basic study design included two separate samples: one sample of shelter providers, drawn from a list, previously prepared by HUD, of the universe of emergency shelters in 60 metropolitan areas (henceforth designated the National Board HUD sample)³; and one sample of recipients of National Board funds for emergency food and shelter (henceforth designated as the National Board EFSP sample).⁴ Each sample was drawn to facilitate analysis of respondents according to the size of the metropolitan area in which they were located, and to ensure

representation, in each size grouping, of all four of the major Census regions. Such a sampling frame was chosen because it is generally believed that the number of homeless in an area is related to its geographic location and to its population size.

Sampling was done in two stages: first, a sample of metropolitan areas, and second, a sample of providers in the chosen metropolitan areas. Table 1 indicates the size of the resulting samples. Appendix B explains in more detail the sampling procedures.

Table 1
STUDY SAMPLES

<u>Sample Group</u>	<u>Stage I: Jurisdictions</u>		<u>Stage II: Providers</u>			<u>Completion as Percent of Sample</u>
	<u>Universe</u>	<u>Sample</u>	<u>Universe</u>	<u>Sample</u>	<u>Completed Interviews</u>	
<u>MD</u> (DMA population)	60	30	316	107	94	.88
Small (50K - 250K)	20	10	35	23	22	.86
Medium (251K - 1 million)	20	10	64	29	20	.67
Large (more than 1 million)	20	10	217	55	44	.80
<u>IFSP</u> (county population)	423	32	263	100	66	.66
Small (less than 100K)	288	12	48	16	14	.88
Medium (100K - 249K)	54	8	54	33	20	.61
Large (250K or more)	81	12	141	51	32	.63
<u>ALL</u>	483	62	559	207	160	.77

The sampled respondents were contacted by telephone during the period January 30 through February 8, 1985. The telephone interview lasted approximately 15 minutes, and covered such topics as the kinds of services the respondent's agency provides to homeless people, the respondent's knowledge of the scope of the homelessness problem in the local metropolitan area, and the sources of information locally available concerning the homelessness problem. If the responding agency provided shelter, additional detailed information was collected, including nightly occupancy, seasonal fluctuations in occupancy, changes in numbers of occupants in the past year, and changes in the types of people seeking shelter (see Appendix A for the telephone questionnaire)⁵. As Table 1 indicates, the vast majority of the National Board HUD sample providers and the majority of the National Board EFSP sample providers were successfully interviewed. The reason for the lower response rate for the EFSP sample is explained in detail in the next section.

Limitations

Each of the two samples have certain limitations in being used to generalize to the nation's population of shelters. The National Board HUD sample was drawn from an already limited universe: the 1984 HUD study had sampled 60 RMAs (Randomly Metro Areas) from a universe of 394; the universe list of shelters applied to only the 60 selected RMAs. From a 1985 perspective, the universe list is obviously incomplete; many new shelters have opened, and some have probably closed since HUD created its list in early 1984. In addition, it is a very difficult and time-consuming task to develop a universe of shelters. There is no easy way to verify the completeness of the 1984 HUD list; suffice it to say that HUD officials themselves warn of its potential incompleteness. Thus, whatever bias was present in HUD's original sample of

RHAs has been continued in the National Board HUD sample [although, in the second stage of sampling, the National Board sample did not overlap extensively with the original set of HUD respondents: 37% of the providers responding to the National Board interview had been interviewed by HUD a year earlier].

One immediate problem with the HUD sample concerns its base - RHAs. Randomly Metro Areas (RHAs) are jurisdictions defined by Rand McNally based on 1980 population figures; they are meant to represent commercial marketing areas. An RMA generally includes only parts of counties where an SMSA would include or exclude the entire county. The RMA concept is most commonly used for marketing purposes; it generally includes an area surrounding a major city larger than the corresponding SMSA. The difficulty with using RHAs instead of SMSAs comes in the public's lack of familiarity with the concept. Respondents asked about their "metropolitan area" are more likely to think of the SMSA or the central city plus immediate suburbs, rather than the harder-to-define RMA.

The National Board EFSP sample presents a different set of problems. First, the selected jurisdictions do not represent a random sample of counties and large cities in the U.S.; rather, they are a random sample of EFSP - eligible jurisdictions, determined by their unemployment level and their poverty rate. Second, the agencies which receive emergency food and shelter funds are a broad mix of service providers: some operate shelter facilities, but many more provide vouchers for SRO hotels or money to cover a month's rent to prevent a family from being evicted. Still other agencies provide no help with shelter, but, rather, provide food. Some of these may be soup kitchens, but many more distribute surplus food, bags of groceries, or vouchers to purchase food or meals elsewhere. Still other agencies provide supportive social services to

prevent homelessness. Using this sample to represent the shelter capacity of the U.S. is obviously problematic; many EFSP recipients do not provide shelter to homeless people (although they clearly help to prevent homelessness and/or they focus on the hunger problem) so the usable set of EFSP recipients is smaller than the total sample. In addition, it is clear that much shelter is provided by non-EFSP-funded providers; the EFSP sample only represents the EFSP-funded part of the total shelter picture.

One other limitation on shelter figures should be noted, which applies to both National Board samples. Shelter size is likely to affect a shelter's ability to increase occupancy. A small shelter may, for example, be in a church basement, and only have space for 2 people beyond its usual 10. A larger shelter, by contrast, may be in an armory or other large building, and its usual 75 people can easily be increased to 150. The National Board sampling frame did not consider shelter size in its selection of shelters. If an insufficient number of large shelters were selected, the resulting estimates of changes in the sheltered population may be understated, since larger shelters are more "flexible" in terms of capacity than are smaller shelters.

With these caveats in mind, we turn to the findings concerning changes in the nature of the homeless population.

Changes in the Sheltered Homeless

Based on responses of the National Board HUD sample, the number of people sheltered in December 1984 exceeded by approximately 16 percent the number sheltered one year earlier. Table 2 presents figures for the 3 size groupings, and a projection to a national figure, demonstrating that the rate of increase has

been greater in medium-size RHAs than in small or large ones -- 24 percent compared to 17 percent and 13 percent, respectively.

Table 2
Change in Number of Sheltered Homeless
in the Past Year*

<u>Size Group</u>	<u>Estimate of Change in Sheltered Homeless</u>
Small RHAs	+16.7
Medium RHAs	+24.3
Large RHAs (excluding NY)	+12.8
NY from HUD sample	+ 2.6
NY from NYS report	+20.0
Total with NY from HUD	+15.8
Total with NY from NYS	+16.5

* Defined as December 1983 to December 1984 or January 1984 to January 1985

New York has been separated from other large RHAs because it alone accounts for such a large portion of the sheltered homeless. Interviews with a very small sample of New York City shelter providers yielded an estimated increase of only 3 percent in the past year in numbers of people sheltered. Because this figure seemed intuitively low, we checked other sources. Homelessness in New York State reports a 20 percent increase in the sheltered population in New York City alone between January and May of 1984; if we conservatively estimate a 20 percent increase for the entire year, the rate of change projected to the entire U.S. becomes +16.5 percent.⁶ Such a wide discrepancy for the New York area alone introduces the possibility that other jurisdiction figures and, indeed, national figures should be higher.

Estimates of change from the National Board LFSP sample were determined to be much less reliable than those from the National Board HUD sample. Because

Emergency Food and Shelter funds go for a variety of purposes in addition to directly providing emergency shelter, the EFSP interviewees represent only a small portion of the shelter in any particular jurisdiction. In addition, because they are EFSP recipients, changes in their shelter population may reflect the availability of these federal funds as much as it does conditions in the local community.⁷

Availability of Shelter

An increase in the numbers of sheltered homeless could be accounted for by two phenomena: an increase in the number of shelters in a community, and/or an increase in the occupancy rate of existing shelters. The shelters sampled for this study tell us little about the emergence of new shelters in a community, because none are new: the National Board HUD sample is drawn from a universe of shelters operating in early 1984, and the National Board EFSP sample includes only older agencies, recipients of more than one year of EFSP funds. However, one question asked in the interview does cast some light on this issue. In response to the question of whether any shelters had opened or closed in the past year, over half the respondents (51%) indicated that there had been such activity in their community. Among this group, 77% reported that the number of shelter openings exceeded the number of closings. Examining the pattern of change by jurisdiction (rather than by respondent), we find that, of the 62 jurisdictions represented in our two samples, respondents in 37 jurisdictions, or 60%, reported more shelter openings than closings (table 3). This pattern was especially prevalent in large jurisdictions: 19 of 22 jurisdictions noted more new shelters than there were old shelters which had closed in the past year. These data clearly suggest that much of the increased provision of shelter for the homeless can be attributed to the establishment of new shelters.⁸

Table 3
Shelter Openings and Closings

<u>Size Group</u>	<u>Percentage of Jurisdictions Where Respondents said Shelter Openings Exceeded Closings</u>
All respondent jurisdictions (62)	.60
Large jurisdictions (22)	.86
Medium jurisdictions (18)	.36
Small jurisdictions (22)	.36

Another way in which a community can shelter more homeless people is by increasing the occupancy of existing shelters. There is no easy way to measure this phenomenon, because the capacity of any given shelter is rarely a set number -- if the weather is bad, a shelter may quickly fill its beds, then bring in mats for sleeping on the floor, put people on chairs to sleep, etc. The report, Homelessness in New York State, aptly sums up the problem:

"It is not possible to state a firm number -- or for that matter, even a reliable range -- for total shelter capacity. The principal reason is that the homeless are frequently quartered in space so provisional or makeshift that a room adequate for ten people one night is often used as space for fifteen or twenty on another night. Fire codes, building codes and shelter regulations notwithstanding, many shelters find space for more people than they should, largely because an emergency situation offers little time for alternatives, and new facilities take time and money to develop."

In lieu of any estimate of shelter capacity, it is possible to use the maximum number of sheltered homeless on a single night as a measure of the tested limit of shelter capacity. With that maximum as a proxy for shelter capacity, we can calculate an average nightly occupancy rate. The figures are presented in table 4, with comparable figures from the 1984 HUD study. Shelters in all jurisdictions appear to have approximately the same occupancy rate, 92%, and

in all cases exceed the rates found by the 1984 HUD study. One possible explanation for this difference may be partly a difference in definition -- HUD asked shelter operators for a capacity figure; this was used for the occupancy calculation, rather than the maximum number sheltered. In addition, the HUD study used an annual average for number of occupants, while the National Board study uses the number of occupants in December, generally a high month.

Table 4
Average Shelter Occupancy
by Size of Metropolitan Area

Size Group	Average Occupancy Rate*	
	1985 National Board - HUD Sample	1984 HUD Study
All Shelters	91.9%	70
Shelters in large RMAs	91.9	74
Shelters in medium RMAs	92.0	72
Shelters in small RMAs	92.3	59

*1985 calculation is number sheltered in December 1984 divided by maximum number sheltered in any month of 1984.

1984 calculation is average monthly bed nights in 1983 divided by 30 times the nightly shelter capacity.

The difference between the 1984 and 1985 figures may also reflect increasing pressure on shelters to take in homeless people. Figures on numbers of people turned away (table 5) support this hypotheses: on average, shelters in every size group turned away far more people in December 1984 than they did a year earlier. To put these figures in perspective: in December 1984, the average shelter turned away 7 people for every 100 it took in.

Table 5
Average Monthly Number of
People Turned Away from a Shelter

<u>Size Group</u>	<u>Average Number of People</u> <u>Turned Away Per Shelter Per Month</u>	
	<u>1985</u> <u>National Board</u> <u>- HUD Sample</u>	<u>1984 HUD</u> <u>Study</u>
All Shelters	122 people	65 people
Shelters in large RMAs	122	13
Shelters in medium RMAs	123	43
Shelters in small RMAs	122	95

Seasonal differences are noticeable in the numbers of people both seeking and obtaining shelter. While table 4 indicates that December occupancy was 92% of the maximum number sheltered at any time in 1984, such an "occupancy rate" does not always occur. December or January was the month most often designated as the highest occupancy month (37% of respondents so stated); July or August was most commonly the lowest occupancy month (33%). The low occupancy figure ranged from 66% of maximum occupancy (in small National Board HUD RMAs) to 64% of maximum occupancy (in large National Board RMAs and in the National Board HUD sample as a whole).

Changing Characteristics of the Sheltered Homeless

If the shelter occupancy rate is less than 100%, why are people who are seeking shelter being turned away? This is a much more complicated question than at first appears. First, many shelters have restrictions on the types of people

they serve; some do not serve families, others do not serve women, etc. Second, some people prefer sleeping on the street to what they have to face in a formal shelter -- strict rules, fear of possible harassment or being robbed, overcrowded conditions, etc. It is thus very difficult to infer the need for shelter from statistics on occupancy rate or refusal rate.

What can inform the question of need for shelter is information concerning the characteristics of the sheltered homeless. The 1984 HUD study offers a baseline profile of the sheltered homeless population: the majority of persons sheltered in 1984 were single men (66% of all sheltered) and/or unemployed persons (87%).¹⁰ In large metropolitan areas, which account for the preponderance of the sheltered homeless, over half (54%) of those sheltered belonged to a minority group.

Against this backdrop is information from the current study concerning changes in the characteristics of the sheltered homeless (table 6). In contrast to the data from the 1984 HUD study, the National Board data do not report the proportion of the sheltered population having each characteristic, but, rather, indicate the proportion of respondent agencies which noted a change in the share of the sheltered population who had each characteristic. Thus, table 6 indicates that the majority of respondent agencies (including both the National Board HUD sample and the National Board EFSP sample) report that they are sheltering more people in each of the following groups: single men, single women, families, unemployed people, first-time shelter users, people with mental health problems, and people who have been recently evicted or who recently relocated. In large jurisdictions, increases were most frequently noted among families (64% of respondents report sheltering growing numbers of families),

first-time shelter users (70%), and recently evicted or relocated (65%). The categories are not mutually exclusive; indeed, the pattern in the large jurisdictions suggests considerable overlap: recently evicted families coming to shelters for the first time.

Table 6

Respondents' Opinion About
Change in the Characteristics
of the Sheltered Population
by Size of Jurisdiction
(n = 125)

Population Group	Percentage of Respondents That Serve the Population Group	Of the Respondents Serving the Group, Percentage Noting an Increase in the Population Group			
		Large Areas	Medium Areas	Small Areas	All
Single Men	72	51	56	52	54
Single women	79	59	59	39	54
Families	74	64	46	50	55
Minorities	95	36	34	31	34
Unemployed	96	56	63	64	60
First-time users	93	70	56	65	65
Regular users	85	44	36	47	42
Mentally ill	85	61	57	28	52
Substance abusers	84	42	55	53	48
Recently evicted or relocated	92	65	58	58	61
Unaccompanied minors	24	17	43	20	23
Vietnam veterans	56	39	43	38	40

Relative to the portrait of the sheltered homeless drawn in the 1984 HUD study, the data in table 6 suggests some interesting patterns of change in the characteristics of the sheltered homeless. Unemployed people dominated the population of every group of shelters last year; they appear to have increased their presence even more since then, despite signs of national economic recovery. Minorities were very much overrepresented among sheltered people in the HUD study, especially in large metropolitan areas; they appear to be even more prevalent in 1984, more so in large jurisdictions than in others. And those recently evicted or relocated, a noticeable portion of the sheltered population last year, are seen to be increasing in most jurisdictions, of all sizes.

Two groups of shelter users were not identified in the 1984 HUD study but are included nonetheless in the 1985 National Board findings. Although we do not have a baseline against which to measure the change, it is interesting to note that 23% of shelters are seeing increasing numbers of unaccompanied minors, despite the exclusion of shelters for runaway youth (76% of the respondents do not serve this group at all; the 23% figure represents 7 shelters in the sample); and 40% of shelters (of the 56% who serve the population group) report increasing numbers of Vietnam veterans.

Changes in the Homeless Population

Reliable estimates of the number of homeless people, including both those in shelters and those living "on the streets", are notoriously difficult to obtain. We have noted above the difficulties inherent in counting the sheltered -- lack of any universe list of shelters, and inconsistent methods of data collection. Many times more difficult, if not impossible, is the task of counting the unsheltered homeless -- "people on the move, living by their

wits, seeking to avoid detection in the interest of securing safe refuge do not make for a readily enumerated population."¹¹ The National Board utilized a special approach to capture some sense of the change in the homeless population in the past year: it contacted the chairpeople of the local EFSP boards in the 9 largest eligible jurisdictions, to ask them for their best estimates of the change.¹² Respondents reported an increase of 22 percent in the average number of homeless people per night, compared to one year ago. This figure reflects activity in only the largest urban areas, and may be an overestimate of the amount of change which has occurred in smaller jurisdictions. However, as an aggregate measure of change, it is a reasonable choice, since most homeless are found in the larger metropolitan areas and thus aggregate figures basically reflect the situation in large jurisdictions.

Conclusion

The homeless population is clearly growing and changing, stretching the capacity of existing shelter facilities and leading to the establishment of new shelters. The numbers are hard to estimate, because of inadequate record-keeping by shelter providers and because there are few comprehensive lists of shelters in local communities, quite apart from the difficulties of trying to count those homeless not in shelters. Even this brief effort by the National Board indicates an intensifying of the need for shelter and for concerted efforts to address the root causes of homelessness. For, despite numerous federal programs serving the homeless, and despite signs of economic recovery, we see more homeless people every year. We have attempted to sketch a portrait of the sheltered portion of the homeless population and the ways in which it has changed, in size and in structure, in the past year.

FOOTNOTES

- 1 Perales, Caesar, Homelessness in New York State, A Report to the Governor and the Legislature, NY State Department of Social Services, October 1984, p 3.
- 2 Homelessness in New York State, p 2.
- 3 Universe list provided by HUD, used in 1984 study of homelessness.
- 4 Universe list provided by United Way of America, from lists of recipients in more than one of National Board Emergency Food and Shelter Program Round I, II, and III programs.
- 5 Some of the early National Board HUD interviews were more ambitious, gathering information on food and meal provision as well as shelter. In light of time and resource constraints, the questionnaire was shortened on February 4, so that subsequent interviews took 15 rather than 25 minutes to conduct.
- 6 Homeless in New York State provides figures for 1984 for New York City, an area much smaller than the New York RMA which the HUD sample estimates.
- 7 Respondents in some small EFSP jurisdictions reported that their ability to shelter people was directly related to the amount of the EFSP funds they had available at the time.

- 8 The public sector is taking a growing role in the creation of shelters. In many of the largest U.S. cities, public agencies directly run shelters or, more often, contract with private agencies to do so.
- 9 Homelessness in New York State, p 12.
- 10 It should be noted that the 1984 HUD study excluded from its definition of shelter all vouchers for hotel or motel accomodation. In some localities this is a large portion of those people sheltered, and tends to be families more often than individuals. Hence, by excluding vouchered shelter, the HUD study has potentially understated not only the size of the sheltered population but also its characteristics.
- 11 Kim Hopper, "Whose Lives Are These, Anyway?" Urban and Social Change Review, Vol. 17, Number 2, Summer 1984.
- 12 The nine jurisdictions were: New York City, Allegheny County (Pittsburgh), Philadelphia, Chicago and Cooke County, Cuyahoga County (Cleveland), Maricopa County (Phoenix), and Los Angeles and Los Angeles County.

APPENDIX A
TELEPHONE QUESTIONNAIRE
INTRODUCTION

TO SWITCHBOARD - IF NO CONTACT NAME AVAILABLE:

Hello, my name is _____ and I'm calling on behalf of the National Board's Emergency Food & Shelter Program. May I have the name of the program Director/Manager please? [RECORD NAME ON CONTACT SHEET.]

TO PROGRAM MANAGER:

Hello, may I speak to _____, the manager of the program. Hello, my name is _____. I am calling on behalf of the National Board's Emergency Food & Shelter Program. We are conducting a national survey of programs for the homeless, to collect information about the size and nature of the homeless population and the services they receive. We obtained your name from (a) the National Board's list of recipients of Federal Emergency Food & Shelter funds (b) a listing of all shelters for the homeless in _____ (jurisdiction).

CONFIDENTIALITY PLEDGE:

The questions I want to ask you will take 15 to 20 minutes of your time. Is this a convenient time for you?

Before I begin, I would like to assure you that your response is voluntary; the information you provide will be treated as confidential and will only be used in combination with other responses in statistical reports.

I.D.# _____
 Interviewer # _____

QUESTIONS

1. A. Does your program serve homeless people?
 Yes 1
 No (Go to Q 19) 2
- B. Does your program provide shelter?
 Yes 1
 No* 2
- C. Does your program provide food/meals?
 Yes 1
 No 2
- D. Does your program provide referrals to other support services, such as job training, housing assistance, or cash assistance programs?
 Yes 1
 No 2

If yes, list the kinds of referrals:

- Job placement/training
- Housing assistance
- Cash assistance
- Nutrition programs: WIC, etc.
- Food stamps
- Mental health counseling
- Other
- Other

[* If no shelter, go to Q 11.]

2. In your shelter last year (1984), which months produced:
- A. Highest occupancy? _____
 B. Lowest occupancy? _____
3. What was your average daily occupancy:
- A. IN (HIGHEST OCCUPANCY MONTH) of 1984? _____
 B. IN (LOWEST OCCUPANCY MONTH) of 1984? _____
 C. December 1984? _____

If you have any written records supporting these figures, we would very much appreciate you sending copies to us. (Any comment?)

4. Did you ever have to turn away people in December because no space was available to shelter them?
- Yes 1
No [Go to Q 6] 2
5. How many people were turned away last month (December)?
- Number turned away: _____
6. Compared to a year ago, has there been any change in the average number of people per night who use your shelter? [December 1984 compared to December 1983]
- Yes, an increase* 1
Yes, a decrease* 2
No, no change (Go to Q 8) 3
7. By what percentage (or by what number) would you say the number of sheltered people has increased/decreased?*
- Number or change _____
Percentage change _____

* If you have any written records to support your figures, we would appreciate you sending copies to us.

8. Compared to a year ago (December 1983), has there been any change in the number of people using your shelter who are:

	<u>Increase</u>	<u>Decrease</u>	<u>No Change</u>	<u>Not Applicable</u>
A. Single men	1	2	3	4
B. Single women	1	2	3	4
C. Families (adults w/children)	1	2	3	4
D. Unaccompanied minors (children without adults)	1	2	3	4
E. Minority (black, Hispanic, Native American, etc.)	1	2	3	4
F. Unemployed	1	2	3	4
G. First-time users	1	2	3	4
H. Regular users (using shelter every month to maximum allowed)	1	2	3	4
I. Mentally ill	1	2	3	4
J. Substance abusers (alcohol, drugs)	1	2	3	4
K. Recently evicted or relocated (transients)	1	2	3	4
L. Vietnam veterans	1	2	3	4

* NOTE: These categories do overlap.

[If program does not provide food, Go to Q 19.]

9. Do people other than those using your shelter overnight come to you for food/meals?

- Yes 1
- No (Go to Q 19)..... 2

10. How are the people who come to you for meals different from those who stay in your shelter? [Prompt with categories in #8.]

11. Now I would like to ask you about the general situation concerning the homeless in this metropolitan area, not just those in your program.

A. Has the number of homeless in your metropolitan area changed much in the last year?

Yes 1

No (Go to Q 20) 2

B. Has there been an increase or decrease in this number?

Increase 1

Decrease 2

C. By what number or percentage (INCREASE/DECREASE) would you say?

Number _____

OR

Percentage _____

12. On an average night last week, how many homeless (including those in shelters, using vouchers to live in hotels, in cars, parks, streets, etc.) would you estimate are living in (this metropolitan area)?

Number of people _____

13. In your estimation, what proportion of this population of homeless people are generally unsheltered (do not stay in shelters or in hotels)?

Percentage _____

14. How are the homeless who live outside of shelters in your metropolitan area different from those who live inside shelters?

1877

RESPONDENT CONTACT SHEET

I.D.# Name of Program Contact Person Phone #

Mailing Address Address Correction

CALL RECORD:

Date & Time of Call Comments

1876

If you have any written materials that support the figures or the trends you have noted, including especially studies or published reports about your community, we would appreciate receiving copies or learning where we can obtain copies.

These and all the other materials we have referred to today would be very helpful to us. Please send them to:

National Board Emergency Food & Shelter Program
United Way of America
701 N Fairfax St
Alexandria, VA 22314-2045

ATTN: Madeleine Kimmich

We are operating under very tight time schedules and would appreciate your materials as soon as possible.

Thank you for your cooperation.

1977

RESPONDENT CONTACT SHEET

I.D.# Name of Program Contact Person/Position Phone #

Mailing Address

Address Correction

CALL RECORD:

Date & Time of Call

Comment

APPENDIX B
SAMPLING PROCEDURES

The study involved the drawing of two distinct samples: the National Board HUD sample and the National Board EFSP sample.

The National Board HUD Sample

The Department of Housing and Urban Development (HUD) provided the National Board with a handwritten list of shelter names and phone numbers, compiled by HUD staff in early 1984 and representing the known universe of emergency shelters located in 60 selected RMAs (the RMA sample used in the 1984 HUD study). We stratified the 60 RMAs into 3 size groups of 20 RMAs each: population over 1 million = large; population less than 1 million but greater than 250,000 = medium; population between 50,000 and 250,000 = small. Within each stratum, we ordered the RMAs by the 4 major census regions (Northeast, North Central, South, and West). We then systematically sampled (with a random start) 10 RMAs from each size group. The resulting sample of RMAs included:

Large: Baltimore, Maryland; Cleveland, Ohio; Hartford, Connecticut; Houston, Texas; Kansas City, Missouri; Los Angeles, California; Pittsburgh, Pennsylvania; Portland, Oregon; Seattle, Washington; and New York, New York.

Medium: Baton Rouge, Louisiana; Charleston, South Carolina; Colorado Springs, Colorado; Davenport, Iowa; Fort Wayne, Indiana; Las Vegas, Nevada; Louisville, Kentucky; Richmond, Virginia; Rochester, New York; and Syracuse, New York.

Small: Annapolis, Maryland; Athens, Georgia; Binghamton, New York;
Columbia, Missouri; Danville, Virginia; Durham, North Carolina;
Lincoln, Nebraska; Monroe, Louisiana; Reno, Nevada; and Tyler, Texas.

In the second stage of sampling, we randomly selected among the shelters in each selected RMA. The original plan was to sample 3 shelters from each small and medium RMA, 5 from each large RMA except New York, and 10 from New York (because of its unusually large population and its unusually well-documented homelessness problem). Several small jurisdictions had fewer than 3 shelters in their universe, and in other RMAs we were unable to complete the desired number of interviews. The final sample figures are presented in Table B-1.

TABLE B-1
Final National Board HUD Sample
Second Stage

Size Group	Universe of Shelters	Sample of Shelters	Completed Interviews	Incompleted Interviews		
				Out of Scope	Couldn't Reach	Refused
Small RMAs	35	23	22	1	0	0
Medium RMAs	64	29	28	1	0	0
Large RMAs	163	45	39	1	5	0
New York RMA	54	10	5	0	3	2
Total	316	107	94	3	8	2

The National Board EFSP Sample

United Way of America provided the National Board with a computer-generated list of all local board jurisdictions (counties, central cities, or balance of counties) which participated in more than one round of EFSP funding. In the first stage of sampling, the 423 jurisdictions in the universe were ordered by size and by census region. We then systematically sampled (with a random start) 60 jurisdictions; the resulting sampling frame by size group was:

<u>Small</u> (population under 100,000):	selected 40 of 288 jurisdictions
<u>Medium</u> (population between 100,000 and 249,999):	selected 8 of 54 jurisdictions
<u>Large</u> (population 250,000 or more):	selected 12 of 81 jurisdictions

In the second stage of sampling, we randomly selected among the recipients of EFSP funds in the selected jurisdictions. The original plan was to sample 3 recipient agencies in each of the 60 jurisdictions, but time and resource constraints caused us to alter that plan. Instead, we sought to interview 20 recipient agencies in the small jurisdictions, 30 in the medium jurisdictions, and 40 in the large jurisdictions. This change meant that not all of the 44 small jurisdictions sampled in the first stage were represented in the final sample of agencies. The final sampling figures are presented in Table B-2.

TABLE B-2
Final National Board EFSP Sample
Second Stage

<u>Size Groups</u>	<u>Universe of Agencies</u>	<u>Sample of Agencies</u>	<u>Juris- dictions</u>	<u>Completed Interviews</u>	<u>Out of Scope</u>	<u>Incompleted Interviews</u>	
						<u>Couldn't Reach</u>	<u>Insufficien: Informatio:</u>
Small	48	16	12	14	1	0	1
Medium	54	33	8	20	9	2	2
Large	141	51	12	32	11	6	2
Total	243	100	32	66	21	8	5

The jurisdictions represented in the final EFSP sample were:

Small: Franklin County, Alabama; Knox County, Illinois; Montcalm County, Michigan; Lenawee County, Michigan; Ottawa County, Ohio; Fayette County, Ohio; Kittitas County, Washington; Fayette County, West Virginia; Taylor County, West Virginia; Marshall County, West Virginia; Douglas County, Wisconsin; and Jefferson County, Ohio.

Medium: Mobile County, Alabama; Solano County, California; Madison County, Illinois; Saginaw County, Michigan; Cumberland County, New Jersey; Portage County, Ohio; and Fayette County, Pennsylvania.

Large: Kern County, California; San Diego County, California; Atlanta/Dekalb and Fulton Counties, Georgia; Aurora, Elgin and Kane Counties, Illinois; Suffolk County, Massachusetts; Passaic County, New Jersey; Franklin County, Ohio; Summit County, Ohio; Luzerne County, Pennsylvania; Pierce County, Washington; Jefferson County, Texas; and Macomb County, Michigan.

Sample Limitations

Three major limitations to these samples deserve special notice here. The first limitation is the universe from which each sample is drawn. For the National Board HUD sample, the universe was an informal list compiled over a year ago, admittedly incomplete, especially in the large jurisdictions. For the EFSP sample, the universe includes only those jurisdictions meeting certain EFSP criteria (poverty level, unemployment rate); less than half of the population of the U.S. is accounted for.



The second major limitation of the sample is the lack of attention to shelter size. Because of the generally small size of jurisdictional samples, the few large shelters in a given jurisdiction may not have been sampled, leading to underestimates of shelter occupancy. More serious is the problem as it relates to fluctuations in shelter occupancy during the year. Small shelters are likely to be less flexible, only capable of accommodating a few people beyond their bed count, while large shelters may be able to shelter twice their bed count, should the need arise.

The third major limitation of the sample applies only to the National Board HUD sample. The sampling frame is based on Ranally Metro Areas (RMAs), commercial marketing areas which are generally much larger than cities or even SMSAs. Respondents were asked questions about homelessness in their metropolitan area; answers most often reflected the SMSA or the central city and major suburbs, not the harder-to-define RMA.

EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM

701 North Fairfax Street, Alexandria, Virginia 22314-2045



Chief
Dennis Kowalski
Chief, Individual Assistance
Division
Federal Emergency
Management Agency
500 C Street, SW
Washington, D.C. 20472

March 19, 1985



Brother Joseph Berg
Associate Director for
Special Programs
National Conference of
Catholic Charities
1348 Connecticut Avenue, NW
Washington, D.C. 20036

Paul Thomson
Professional Staff Member
Subcommittee on HUD-Independent Agencies
Committee on Appropriations
U.S. House of Representatives
H-143 the Capital
Washington, D. C. 20515



Eric V. Ephraim
American Red Cross
17th & D Streets, NW
Washington, D.C. 20006



Robert M. Biggen
Senior Vice President
United Way of America
701 North Fairfax Street
Alexandria, VA 22314



Mary Anderson Cooper
Assistant Director, Washington Office
National Council of Churches
of Christ in the U.S.A.
110 Maryland Avenue, NE
Washington, D.C. 20002



LT Col Ernest A. Miller
Director
National Public Affairs Office
Salvation Army
1025 Vermont Avenue, NW
Washington, D.C. 20006



Mosh Tsherman
Director
Washington ACTION Office
Council of Jewish Federations
227 Massachusetts Avenue, NW
Washington, D.C. 20002

Staff

William I. Fields
Secretariat
United Way of America
(703) 636-7100

Karen Keeler
Disaster Program Specialist
Federal Emergency
Management Agency
(202) 297-0567

Dear Mr. Thomson,

Since March 1983, Congress has appropriated \$210 million for emergency food and shelter services throughout the United States. Of the initial award of \$100 million, \$50 million was granted to this Board. The other \$50 million was allocated to the states. In August of 1984, an additional award of \$40 million was made to the National Board in recognition of the continuing need for emergency food and shelter services and the Board's success in distributing its funds in a timely fashion. In October 1984, \$70 million was awarded to the National Board to continue the provision of emergency food and shelter services. In the first two rounds of the National Board Program, some 85 million meals and 13 million nights of lodging were delivered for the nation's hungry and homeless. To date, it is estimated that an additional 51 million meals and 14 million nights lodging will be provided by the most recent award (\$70 million).

To document the effectiveness of the program, the National Board commissioned the Urban Institute to conduct an independent evaluation of these two rounds. That evaluation has just been completed. The National Board has also just completed a study on homelessness. That study indicates the problem has increased by 22% since one year ago.

We are painfully aware that the Emergency Food and Shelter Program will never solve the problems of homelessness, de-institutionalization, long-term unemployment, a shortage of low-income housing and chronic poverty. It is an emergency program, capable of meeting very essential but limited needs. The national voluntary agencies urge the Congress to take a hard look at the overriding causes of hunger and homelessness and find much more substantial remedies.

An Executive Summary of the Urban Institute study is enclosed with this letter. The Board has reviewed the report and in forwarding it to you would like to comment on the recommendations made. We also take this opportunity to provide our own perspective on the continuing need for emergency food and shelter funding.

National Board Position on the Emergency Food & Shelter Program

A tremendous need for emergency food and shelter continues to exist, however much of the ongoing need for food and shelter is not of a short-term nature, but rather a structural poverty problem. The Emergency Food and Shelter Program cannot resolve these underlying problems, therefore, the National Board opposes the institutionalization of this program.

- ° Funding of this program has not occurred on a predictable basis, causing serious gaps in service. Until the root causes are addressed, we support funding on a predictable basis for whatever the duration of the emergency need for food and shelter, so that agencies have the time to plan the delivery of services.
- ° The nature of the emergency changes periodically due to shifts in economic conditions throughout the country. As a result, it is necessary to continue to evaluate all areas, and rank the areas in greatest need so that funds provided can be most effectively targeted.
- ° To ensure maximum dollars were available for people in need, voluntary agencies have tried to assume as much of the administrative burden as possible. As the program continues the burden becomes financially unbearable for voluntary agencies. The Board agrees with the Urban Institute recommendation to increase allowed administrative costs from the present level of two percent to the 4-6 range for local administration, plus percent for national administration. Normal local administrative costs have been determined to be 9.6%. An increase to the 4-6 range would reduce the burden now being carried by local agencies yet recognize the financial contributions they have made and continue to make toward support of the program.
- ° The National Board strongly recommends that for as long as the need for this emergency program continues to exist, that funding should be through the Federal Emergency Management Agency (FEMA) to the National Board. The effective working relationship between the National Board and FEMA has been a key factor in this program's success.

The transfer of the emergency program to another department of government might impair the speed with which it has been able to operate, as new staff would need time to become familiar with the program and its operation. Keeping the current arrangement with FEMA will allow the Board to continue to draw on the staff expertise that has been developed around this program, and help insure that the program remains a timely response to emergency needs.

National Board Comments on the Urban Institute Evaluation

1. RECOMMENDATION: Continue the Emergency Food and Shelter Program on a regular, predictable basis.

National Board Comment: THE NATIONAL BOARD AGREES THAT FOR AS LONG AS THE EMERGENCY CONTINUES TO EXIST THE PROGRAM IS NEEDED.

2. RECOMMENDATION: Increase the administrative cost allowance to 4-6 percent of total grant funds for the local level plus an additional percent for the National Board's administrative expenses.

National Board Comment: WE STRONGLY AGREE WITH THE RECOMMENDATION AS STATED ABOVE.

3. RECOMMENDATION: Extend the time allowed to develop plans so they can advertise fully, coordinate adequately and realize savings from mass buying and other efficiency techniques.

National Board Comment: THE BOARD IMPLEMENTED THIS RECOMMENDATION IN THE THIRD ROUND PROGRAM WHICH BEGAN IN OCTOBER 1984. SHORTER TIME FRAMES IN THE PAST WERE NECESSITATED DUE TO THE UNPREDICTABLE APPROPRIATIONS PROCESS AND THE TREMENDOUS NEED.

4. RECOMMENDATION: Continue to require program accountability, in its present form (program audits and reports of meals served and nights of lodging provided).

National Board Comment: THE BOARD CONTINUES TO REQUIRE THIS LEVEL OF ACCOUNTABILITY AS A PREREQUISITE TO AGENCIES RECEIVING AWARDS.

5. RECOMMENDATION: Resauthorize the state program in addition to the National Board Program, UNDER CONDITIONS THAT (1) the Emergency Food and Shelter Program becomes a regular, predictable federal program rather than an emergency program; (2) FEMA requires the states participating in the program to meet the same accountability standards that the National Board has set; (3) resauthorization is contingent on successful completion similar to that of the National Board Program; and (4) the formula for distributing money to the states follows National Board Phase III precedent rather than relying on the Community Services Block Grant (CSBG) formula

National Board Comment: THE BOARD AGREES THAT COORDINATION AND COOPERATION WITH A STATE FUNDED PROGRAM IS DESIRABLE, BUT WE CANNOT COMMENT ON THE EFFECTIVENESS OF THE STATE PROGRAM DUE TO AUDIT REQUIREMENTS AMONG THE STATES AND THE LACK OF REPORTING IN THE STATES. HOWEVER, FUNDING OF A STATE MECHANISM WITH APPROPRIATE ACCOUNTABILITY REQUIREMENTS MIGHT HELP FOSTER INCREASED PUBLIC AND PRIVATE COORDINATION AS A STATE PROGRAM MIGHT PROVIDE SERVICES NOT PROVIDED BY THE NATIONAL BOARD PROGRAM AND VICE VERSA. THE NATIONAL BOARD PROGRAM HAS BEEN AN EFFECTIVE EMERGENCY RESPONSE BUT IT CANNOT RESOLVE THE UNDERLYING PROBLEMS CAUSING THE NEED FOR EMERGENCY FOOD AND SHELTER SERVICES.

6. **RECOMMENDATION:** Allow any Emergency Food and Shelter money left over at the end of a funding period to roll over and be available to spend during the next funding period.

National Board Comment: THE BOARD STRONGLY ENDORSES "ROLL OVER" OF UNUSED FUNDS. THERE ARE SOME CIRCUMSTANCES (VERY SHORT SPENDING PERIOD, AUDIT-RELATED PROBLEMS) WHICH HAVE PREVENTED SOME JURISDICTIONS FROM COMPLYING WITH SPENDING DEADLINES. AS NEED CONTINUES TO EXIST OVER AND ABOVE THE FUNDING LEVEL OF THE PROGRAM, WE WOULD LIKE TO BE ABLE TO APPLY THOSE FUNDS TO THE NEED AS LONG AS THE PROGRAM CONTINUES.

7. **RECOMMENDATION:** Provide guidelines for Local Board's describing ways to plan and develop emergency food and shelter services that leave a permanent expanded service base in the community once emergency food and shelter money has been used up.

National Board Comments: RECOGNIZING THE EFFORTS OF PRIVATE AGENCIES TO PROVIDE SERVICE PRIOR TO THIS PROGRAM, THE PROGRAM HAS PROVED HELPFUL IN FOSTERING PUBLIC AND PRIVATE SECTOR COOPERATION. HOPEFULLY, THIS NEW LEVEL OF COOPERATION WILL TRANSCEND THE PROGRAM ITSELF. THE NATIONAL BOARD HAS ENGAGED A CONSULTANT, PUBLIC TECHNOLOGY, INC (PTI) TO DEVELOP A REPORT ON MODELS OF SUCCESSFUL SERVICE DELIVERY. THE BOARD ANTICIPATES THAT THIS DOCUMENT WILL BE A USEFUL "HOW TO" TOOL FOR LOCAL COMMUNITIES.

8. **RECOMMENDATION:** Include payment of one month's utility bills in allowable cost.

National Board Comment: THE NATIONAL BOARD HAS INCORPORATED THIS RECOMMENDATION IN ITS GUIDELINES FOR THE THIRD PHASE OF FUNDING. (OCTOBER 1984 ENDING SEPTEMBER 30, 1985)

9. **RECOMMENDATION:** Examine guidelines for provisions that may constrain service delivery in rural areas, and expand provisions to allow for service structures better fitted to these areas.

National Board Comment: THE BOARD IS AWARE THAT SMALL JURISDICTIONS SOMETIMES HAVE DIFFICULTY IN SATISFYING NATIONAL BOARD GUIDELINES BECAUSE THEY LACK THE CAPACITY TO DELIVER SERVICE OR ACCOUNT FOR THE USE OF FUNDS. SOME ADDITIONAL FLEXIBILITY MAY BE WARRANTED WHEN THESE SITUATIONS ARE DISCOVERED.

IN ADDITION, THE NATIONAL BOARD STRONGLY RECOMMENDS THAT CONGRESS IMMEDIATELY UNDERTAKE THE DEVELOPMENT OF A DATA BASE OF SOCIAL INDICATORS THROUGH APPROPRIATE EXISTING FEDERAL AGENCY(IES) TO ASSESS RELATIVE SOCIAL NEEDS FROM ONE JURISDICTION TO ANOTHER

After a thorough review of the best available data in both the governmental and voluntary sectors, the National Board found that most current rates of unemployment, as well as total numbers for a twelve-month period, were the most acceptable surrogate for determining social need. These data, from the Bureau of Labor Statistics met the requirements of: relevancy to the problem of emergency food and shelter; recency; and uniform availability

for all jurisdictions, states and territories. While these data were not specifically designed for the distribution of funds, precedents do exist for their use in determining eligibility for various federal programs. These include the Urban Development Action Grant program and the Labor Surplus Area designation, which entitles employers in those areas to receive preference when bidding on Federal procurement contracts. Thus, these data were more appropriate to an analysis of a contemporary condition than the Poverty Index (based upon the 1980 Census and, therefore, on 1979 income data). Until a more valid and current indicator of social need is developed, the National Board will continue to use a combination of unemployment and poverty data, and recognize their limitations.

We would like to take this opportunity to thank you for your support and cooperation in helping meet the needs of the hungry and homeless. We hope the Urban Institute Evaluation and the National Board comments on the program will be valuable in shaping the current discussions on emergency food and shelter needs.

We wish to re-enforce our deep seated belief that this program will never solve the problems of hunger and homelessness. It is an emergency program and economic recovery not withstanding, it is only capable of meeting very essential but limited needs. We urge the Congress to continue its assessment of the root causes of hunger and homelessness and find more permanent and substantial solutions.

Sincerely,


 Brother Joseph Berg
 National Conference of
 Catholic Charities


 Mary Anderson Cooper
 National Council of Churches


 Enzo V. Bighinatti
 American Red Cross


 Lt. Col. Ernest A. Miller
 Salvation Army


 Robert H. Beggan
 United Way of America


 Mark Talisman
 Council of Jewish Federations

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SUMMARY, CONCLUSIONS AND RECOMMENDATIONS:

**"EVALUATION OF THE
EMERGENCY FOOD AND SHELTER PROGRAM"**

January 1985

By

Martha R. Burt
Lynn C. Burbridge

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**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS:
EVALUATION OF THE EMERGENCY FOOD AND SHELTER PROGRAM**

Issues and Answers

Background

The Emergency Food and Shelter Program (EFSP), created by Congress in March 1983 as part of the Jobs Stimulus Bill (P.L.98-8), provides emergency food and shelter assistance to alleviate the problems caused by the 1981-1982 recession for recently unemployed workers, and for workers whose unemployment had lasted so long that they had exhausted their unemployment benefits. The desire of Congress has clearly been that assistance under the EFSP happen quickly, and with as little bureaucratic entanglement as possible.

Congress initially appropriated \$100 million, stipulating that half (\$50 million) be disbursed by the states (the State Program) and half (\$50 million) by a National Board made up of representatives of private nonprofit charitable agencies (the National Board Program). Originally a one-time-only program, Congress has twice appropriated supplemental funding since the original legislation, with funds in both cases going only to the National Board Program. The second round of funding (Phase II) was appropriated in November and awarded in December 1983 and provided \$40 million (P.L.98-151 and P.L.98-181); the third round (Phase III), for \$70 million, was appropriated in August 1984 (P.L.98-396). The Urban Institute has evaluated Phase I and Phase II of the EFSP under a grant from the National Board Program. See the Glossary and Organizational Chart for definitions of terms and a picture of the two programs' administrative structure.

The remainder of this summary describes each major issue of the evaluation, reports the study findings, compares these with Congressional intent in creating the EFSP, draws conclusions, and makes recommendations where appropriate to promote the program's smoother functioning. When the National Board has already incorporated the essence of these recommendations in its procedures for Phase III, this is also noted.

Overall Assessment

- o The overwhelming majority of people and organizations involved in the EFSP—direct service providers, Local Boards, intermediary organizations, state agency personnel and National Board members—felt that the program responded to a great need and led to greater interaction among community agencies. They viewed the program as an overall positive experience. (1:Ch.3; 2:Ch.1; 3:Ch.10)¹
- o The very large amount of emergency food and shelter which the EFSP provided came at a time when communities were experiencing great demand for services without the resources to meet that demand. In many communities agencies were swamped with clients just by opening their doors; some agencies that advertised found themselves with far more clients than they could handle, even with the EFSP. These findings attest both to the good done

1. The notations in parentheses in the following pages refer to the three reports written for this evaluation. A notation reading "1:Ch.3" means that fuller information on the finding will be found in the third chapter of Report Number 1. The three reports are:

1. Burbridge, L.C.; Millar, A.; Surber, M.; van Houten, T.; Colocci, M. and Burt, M.R. "An Evaluation of the EFSP:National, Regional and State Level Analysis." Washington D.C., Urban Institute Project Report, November 1984.
2. Burbridge, L.C.; Millar, A.; Goodis, T.; van Houten, T. and Burt, M.R. "An Evaluation of the EFSP:Local Boards and Intermediaries." Washington D.C., Urban Institute Project Report, January 1985.
3. Surber, M.; Burbridge, L.C.; Millar, A.; Goodis, T.; Colocci, M.; van Houten, T. and Burt, M.R. "An Evaluation of the EFSP:Direct Service Providers." Washington D.C., Urban Institute Project Report, January 1985.

by the EFSP, and to the continued need for the services it supplies. (3:Ch.6)

- o With the important exceptions of timing (the State Program was much slower to disburse EFSP funds) and accountability (FEMA did not require State Program administrators to report services provided, or even which agencies got the money, so not even basic data exist for the State Program), we found few significant differences between the National Board Program and the State Program. At the local level they served essentially the same client groups, giving similar services in the same types of communities. They coordinated equally with other service providers, and perceive the same amount of continuing need in their communities. The very great degree of overlap between the two programs at the local level (more than half of our respondents received EFSP funds from both programs) accounts for these findings.

Targeting Services on Those Who Need Them

Congress intended Emergency Food and Shelter Program (EFSP) money to help the increased numbers of unemployed and other needy people for whom the recession of 1981-1982 caused hardship and an inability to meet their own needs. To what extent did EFSP funds benefit the needy?

- o Funds from the National Board Program went to approximately 30 percent of the nation's counties, which were home to 57-59 percent of the nation's unemployed. Parallel data are not available for the State Program. (2:Ch.1)
- o Agencies responsible for distributing money locally in both programs (National Board and State Programs) report that the long-term and recently unemployed were the groups benefiting most from the EFSP. Other groups that received a significant amount of help were female-headed households, deinstitutionalized individuals, and transients. (1:Ch.3; 2:Ch.3; 3:Ch.5)
- o Most providers used EFSP funds to serve families rather than individuals. Families of long-term and recently unemployed workers, and female-headed families (many of whose heads also experienced unemployment) were high on the list of service recipients. This client population differs significantly from the "single male alcoholic" image of typical users of emergency food and shelter services, and indicates that EFSP services did indeed reach the "new poor" and other needy families affected by the recession. (3:Ch.5)
- o EFSP agencies were able to fill an important gap in our system of protection for those in extreme need. Many clients receiving

of protection for those in extreme need. Many clients receiving assistance from EFSP funds were also on welfare. Agencies reported that often they were able to use EFSP money to tide people over the time between applying for welfare and receiving it. (2:Ch.3; 3:Ch.5)

- o Responsible local agencies in both programs report serving the same types of communities—equal proportions served urban, suburban, rural and combination jurisdictions. Thus the State Program was no more likely to fund programs in rural areas than was the National Board, despite perceptions of State Program participants that that program had less of an urban bias. The decision of administrators in both programs to target the largest numbers of needy people appears to have resulted in a very similar distribution of funds, with regions of high population density—and more needy people—receiving more money. (2:Ch.1)W

Services Provided

The need for emergency food and shelter for people suffering from the recession stimulated passage of the EFSP. Besides providing these goods, Congress also stipulated that EFSP funds should not supplant existing sources of support. All services were to be "extra," over and above what agencies had been providing before EFSP.

- o Providers in the National Board Program distributed 51.3 million additional or nutritionally augmented meals during Phase I and 33.8 million additional meals during Phase II, at an average cost of \$0.66 and \$0.76, respectively. They provided 6.8 million additional nights of shelter during Phase I and 6.3 million nights of shelter during Phase II, at an average cost of \$2.44 and \$2.32, respectively. (2:Ch.1)
- o Parallel data for the State Program are available only from 30 of the states that returned our mailed questionnaire. (Data reported to FEMA by State Program administrators are even less complete.) These 30 states accounted for \$22.3 million (45 percent) of the \$50 million allocated to the state program. These data indicate 5.5 million additional or augmented meals and 1.6 million additional nights of lodging. These figures are so low that they probably reflect incomplete reporting from providers to state agencies. (1:Ch.3)
- o EFSP services most commonly took the form of food vouchers, food banks, food kitchens, congregate meals, housing vouchers, shelter accommodations, rent and mortgage assistance. Providers were able to enhance their EFSP funding through in-kind, cash

or discount services from business groups, including food at cost, tax-free food, discount food vouchers, and donations of day-old goods, clothing, cash, building space and driving time for distributing food. (2:Ch.3; 3:Chs.4 and 8)

- o Legislation and guidelines prohibited spending EFSP funds on many items that providers found their clients needed on an emergency basis. Chief among these were utility bills, more than one month's rent or mortgage, security deposits and prescription drugs.
- o Capitol equipment such as freezers, washers and other items that would increase the efficiency of service delivery were also frequently mentioned as needed but disallowed under the guidelines. Continued EFSP funding makes it more reasonable to permit these items than when the EFSP appeared to be a one-time effort.
- o Evidence that EFSP money did indeed provide "extra" services comes from several sources:
 - a. The majority of providers expanded existing services. They kept their services open for additional days, opened additional program sites, served more people, and served types of clients they had not previously served, and increased the nutritional value of meals served. (1:Ch.3; 3:Ch.4)
 - b. New service organizations were begun in some communities with few or no existing services. (1:Ch.3; 3:Ch.4)
 - c. In a few communities, providers were able to continue offering a service with EFSP funds which would otherwise have been curtailed or stopped entirely due to lack of money. (3:Ch.4)
 - d. Local funding sources did not arise to take over the expanded level of service made possible with EFSP dollars. Despite greater cooperation among agencies to provide EFSP services than many communities had experienced with other programs, most providers could not sustain the increased level of services once EFSP money ran out. (3:Ch.4)
 - e. 67 percent of responding agencies actually ended up subsidizing the EFSP by working overtime, absorbing administrative costs that exceeded the EFSP ceiling, and paying less attention to other programs while working on EFSP. Far from using EFSP money to substitute for their other activities, these agencies dug into their own pockets, both literally and in the form of staff and volunteer time, to make the EFSP work. (1:Ch.3; 2:Ch.5)

- o Some people want to know by what proportion to EFSP increased the amount of emergency food and shelter available in the nation as a whole. No one can answer this question, because to do so one would need to know the number of these services available before the EFSP. This figure does not exist either for the nation as a whole or for the specific providers involved in the EFSP, because many providers did not maintain equivalent records before the EFSP, and probably will not do so afterward. They did so for EFSP only because the National Board required it; the State Program does not have such data even for EFSP because FEMA did not require it.

Continued Need

The EFSP was an emergency program, designed to meet the crisis of the 1981-1982 recession. Even though the depths of the recession are past, there are indications that many communities continue to feel its impact. In addition, the chronic poverty of some communities constitutes a recurring state of emergency for many inhabitants. Does a continued need exist for EFSP services in many communities? Most people involved with EFSP think so.

- o Most state agency administrators for the State Program reported a continued need for emergency food and shelter in their states. (1:Ch.3)
- o Local Boards and State Program intermediaries also report continued need far beyond the capacity of local resources to meet. Most-needed continuing services include food vouchers/kitchens/banks, energy assistance, rental/mortgage assistance, shelters and housing vouchers, and coverage for prescription drugs. Approximately 50 percent of all respondents mentioned these as items of great continuing need. Other services mentioned were seen as less pressing but still important. (2:Ch.3)
- o Direct service providers mentioned shelter needs as their most pressing problem, followed by emergency food and employment. (3:Ch.10)
- o Most members of Local Boards, intermediary organizations and direct service providers involved with the EFSP would gladly participate in the program again, to continue to meet their community needs. (1:Ch.3; 2:Ch.1; 3:Ch.10)

Community Impact

Part of the legislative intent in creating the EFSP involved stimulating community resources to care for the needy. If new agencies and community groups were drawn into caring for the hungry and homeless, if existing agencies worked out better ways of coordinating services, or if a public-private partnership developed from EFSP that included cooperation among non-profits, businesses, government agencies and funding sources, and volunteer activities, one would judge that the EFSP had fulfilled this aspect of the legislative intent. To what extent did the EFSP have an impact on local communities? And, do EFSP participants see any benefit or legacy from the EFSP that will continue to help their communities to give emergency food and shelter to the needy?

- o About 70 percent of EFSP communities reported that some community agencies and groups previously uninvolved in providing food and shelter were drawn into the service network as a result of EFSP. High on the list of newly involved groups were churches and synagogues—exactly the types of grassroots organizations whose participation may make it easier for people not used to taking "charity" to accept emergency services. (2:Ch.4)
- o 70-75 percent of EFSP participants coordinated service delivery with local welfare offices; 63-66 percent worked with the Surplus Commodities Program, 29-32 percent used energy assistance programs and almost one fourth cooperated with job training programs. These data indicate a very high degree of inter-agency cooperation in delivering EFSP services. (2:Ch.4)
- o More than 40 percent of Local Boards and State Program intermediaries felt that the EFSP increased the interaction among service providers in their area. This was true within the non-profit sector, and between non-profits and public officials. Cooperation took many forms, including establishing or expanding a referral system for clients, coordinating client intake information, centralizing food or shelter service development or distribution, and mass buying. Most respondents credited the EFSP with creating an increased level of public-private cooperation, often including local businesses as well. They also

thought that their communities were more responsive to the EFSP than to other government programs with which they had experience. (2:Ch.4; 3:Ch.9)

- o About 70 percent of Local Boards and intermediaries thought that the EFSP had definitely or probably left a lasting imprint on their communities. They thought that the networks formed to provide EFSP services could prove helpful in dealing with food and shelter problems post-EFSP, and with other community problems as well. (2:Ch.4)
- o The EFSP prompted at least 6 states to organize a state level emergency food and shelter effort.
- o Nevertheless, despite the considerable enthusiasm for the EFSP and its effects on their communities, only a handful of respondents reported being able to attract enough local money to continue the EFSP services once EFSP funding had been used up. By and large, the non-profit agencies involved in EFSP have been hard-pressed to compensate through fundraising for decreased federal support ever since the major federal program changes of 1981-1982. In response to our inquiry, they report constantly high fundraising efforts, and cannot distinguish regular from EFSP fundraising. They are very clear, however, that they could not raise enough money to continue the EFSP services. (3:Ch.4)

Fairness

During the EFSP's existence, some concern has been voiced about how fairly the program's funds have been distributed. Issues include whether agencies unaffiliated with those that had representatives on the National Board or on Local Boards would receive funds, whether private agencies would receive money from the State Program, and whether only the larger and better established agencies that were accustomed to receiving government grants would get support. Perceptions of fairness are somewhat complicated, because someone might know that more large agencies than small agencies got money, yet might believe that this distribution was fair because those agencies were better able to provide the services and handle the paperwork. "Facts" rarely settle issues of fairness — what is or is not fair lies solely in the

Findings and perceptions of individuals. Here we report our own as perceptions concerning the question, "How fair was the IMF?"

- 1: Fairness: Less than 10 percent of the American people... (text is extremely faint and difficult to read)
- 2: At the middle level of the IMF... (text is extremely faint and difficult to read)
- 3: (text is extremely faint and difficult to read)

Table 1.2

(The table content is extremely faint and illegible)

- o The speed with which the National Board was able to get EFSP money into local communities during Phase I impressed many people with the responsiveness and flexibility of the non-profit sector in dealing with a situation that Congress viewed as a national emergency. The National Board had selected the communities it would fund within two weeks of receiving federal funding. It then gave local communities two weeks to decide which providers would get grants, and how big the grants would be. The first checks to providers went out two weeks after the initial notification of local communities. (1:Ch.1)
- o By July 8, 1983 the National Board had disbursed nearly \$45 million of its \$50 million appropriation; by mid-August had reallocated all available funds; by the end of September 1983, which was also the last date on which EFSP funds could be spent or encumbered, the National Board had allocated or reallocated not only its \$50 million, but an additional \$0.7 million of earned interest. (1:Ch.1)
- o In contrast, although approximately half of the states had adopted a state plan and/or finalized their regional allocations within a month of receiving EFSP money in April 1983, by July 30, 1983 60 percent of the states had not disbursed any EFSP money, and only 35 percent of the total \$50 million EFSP allocation to the states had been distributed to local service providers. (1:Chs.1 and 3)W
- o Delays in state allocations occurred because state agencies: a) needed legislative authorization to spend the money (5 states); b) had to write program regulations (5 states); c) had to go through a proposal request, assessment and award process (10 states); d) waited to coordinate their allocations with National Board allocations (3 states); or e) encumbered their funds because they wanted to meet winter food and shelter needs. (Undoubtedly there were also less officially acceptable reasons for the delay.) (1:Ch.3)
- o By September 1983 half of the state agencies had disbursed all of their EFSP funds, and 68 percent had distributed 90 percent or more. Many of the remaining states encumbered their funds (committed them to a particular purpose, without disbursing them, to save them from going back to the Treasury) by the September 30 deadline, with the consequence that many service providers did not receive their State Program allocations until September or later (1:Ch.3; 3:Ch.3).
- o Given the emergency nature of the EFSP, the National Board Program was clearly more responsive to the legislative intent

than the state agencies receiving money through the State Program.

- o The short time frame of the EFSP came in for criticism from many participants at all points in the EFSP structure. (1:Ch.3; 2:Ch.1; 3:Ch.3 and 10) Difficulties cited by numerous participants included not enough time:
 - a. to develop local criteria for deciding what services to offer and for selecting providers that truly reflected community needs;
 - b. to publicize the program widely, so that some agencies that would have been able to supply appropriate services were not included in consideration for EFSP funds;
 - c. to plan efficient and effective use of funds through greater coordination, cooperation, centralization, mass buying, food storage, etc.;
 - d. to check client eligibility adequately, or to develop procedures to assure nonduplication of services;
 - e. to save resources for the times of greatest need (usually, this meant winter);
 - f. during Phase II, these problems were even more severe because, although most providers and Local Boards had more experience with the program, they received Phase II money during the Christmas holidays, and had only 4 months to spend \$40 million, compared to 9 months to spend \$50 million during Phase I.
- o In defense of the National Board, the guidelines allowed for Local Boards to adjust their initial allocations after their Plan was approved. Using this provision, any Local Board could have used more time after approval to rectify whatever part of the process it felt had suffered due to the short time frame, shifting money between allocations for food and shelter, and redistributing allocations among agencies as well. National Board flexibility is reflected in approval of Plans as late as mid-August 1983 when the deadline was May 31, and provisions for Local Boards to make whatever reallocations they deemed necessary, and simply inform the National Board so the records would be accurate. In fact, many Local Boards took advantage of this opportunity, but still complained about the constraints they felt their initial Plan imposed on them.

- o For the State Program in Phase I, some of the difficulties in getting the money out stemmed from state requirements for state agency fiscal procedures, and the fact that the EFSP money became available at a time when it could not be fit into states' regular appropriation and funding processes. This reality definitely poses a problem when state and other public agencies are called upon to react on an emergency basis to federal funding, but would be less of a difficulty if the EFSP became a predictable source of funding and could be worked into the states' routines. The National Board Program would also benefit from greater predictability. (1:Ch.3)
- o The unpredictable funding pattern of the EFSP to date makes smooth planning and consistent service delivery difficult at all levels, from national to local. Especially if an agency has mounted a special effort to provide EFSP services, dismantling that structure when money runs out and then having to rebuild it when new funding arrives is a very inefficient way to run an agency.

Administrative Cost Allowances

How adequately did the amount allowed for administration in the EFSP legislation cover the cost of running the EFSP? How many agencies had trouble meeting administrative expenses when these exceeded the ceiling, and how did they do it? Could they continue to incur excess administrative costs not reimbursed by EFSP, or are they only willing and able to do this because they are responding to an emergency? If Congress continues to fund the EFSP, what would be a reasonable administrative cost ceiling?

A few facts will help to set our findings in context. The EFSP legislation limited administrative costs to only two percent (2%) of the total appropriation, regardless of how many different levels or agencies were involved in administering the program. The National Board Program had three levels: the National Board itself, the Local Boards, and direct service providers. During Phase I the National Board waived administrative expenses,

leaving 2 percent to be divided among Local Boards and providers. During Phase II the National Board took 1 percent (using half for evaluation), leaving only 1 percent for the other levels.

The State Program had five levels: FEMA at the national level, FEMA regional representatives, state agencies, intermediary organizations (which acted like Local Boards in deciding local allocations), and direct service providers. FEMA did not take any of the administrative allocation at either the national or regional levels; the state agencies took 1 percent, and 1 percent was left to split among intermediaries and providers.

- o Virtually no one involved with the EFSP found the administrative cost allowance adequate.
- o At every level, agencies reported "borrowing" from non-EFSP resources available to them to help cover administrative costs. Almost 60 percent of the state agencies report using CSBG and other funds for this purpose; United Way of America, the fiscal agent and secretariat for the National Board, absorbed over \$300,000 in administrative costs during Phase I; 67 percent of Local Boards and intermediaries report using their own funding to cover EFSP administrative costs, and 81 percent of direct service providers report similar patterns. (1:Ch.3; 2:Ch.5; 3:Chs.8 and 10)
- o 49 percent of intermediaries and 67-70 percent of Local Boards report using volunteers to help them absorb unreimbursable administrative costs. Far fewer agencies succeeded in raising additional funds specifically for the EFSP—13 percent of intermediaries and 7-9 percent of Local Boards. (2:Ch.5)
- o Professional and clerical staff time to run the EFSP posed the greatest administrative cost problems to all agencies. Professional time was used for planning, supervising, determining eligibility, coordinating, looking for bargains and more efficient ways to run the program, coordinating with private sector donors and decision makers, and overseeing the actual program operations. Included in professional staff time, although not technically professional, are activities such as buying, preparing and serving food, clean-up, doing the laundry, supervising shelters, delivering meals, negotiating with

landlords and utility companies (for clients), etc. Clerical time was spent on recordkeeping, distributing vouchers, documenting services, keeping books, etc. While agencies in both programs experienced difficulties with these items, intermediaries reported special problems with transportation and telephone expenses, presumably because more of them covered large multi-county areas and had to supervise programs covering a larger geographical area. (2:Ch.5)

- o The average administrative cost rate for normal agency operations, among both Local Boards and intermediaries that had a "usual overhead or indirect cost" rate, was 9.6 percent. All respondents felt they could easily have met EFSF costs with this rate, and most respondents thought they could do it with less. (2:Ch.5; 3:Ch.8)
- o The recommended administrative cost ceiling was 4-6 percent at the local level, with the National Board continuing to take 1 percent for itself. (2:Ch.5; 3:Ch.8)

Recommendations

1. Continue the EFSP on a regular, predictable basis.

The evidence from this evaluation has shown that the EFSP met a great need for emergency food and shelter services in the United States, and that the need continues in many communities. The National Board Program's ability to target resources on jurisdictions with greatest need seems quite high, and has been increased with the addition of poverty statistics to its formula for allocating EFSP dollars to specific communities. Without the assurance that money will continue to be available for these services on a regular basis (provided a jurisdiction continued to meet certain clearly specified and relatively simple criteria of need), the efficiency and effectiveness of every participant in the EFSP, from the National Board to local service providers, will be impaired.

2. Increase the administrative cost allowance to 4-6 percent of total grant funds for the local level, plus an additional 1 percent for the National Board's administrative expenses.

Near unanimity exists among EFSP participants at the local level that the amount currently allowed for administration under EFSP is inadequate to meet the costs of running the program, even with heavy use of volunteers. Continued reliance on agencies' willingness to divert their other resources to subsidize the EFSP will quickly lead to fewer and fewer agencies being willing to participate in the program. The original emergency nature of the EFSP called forth extra effort, which agencies report that they were willing to provide, but which resulted, in some agencies, in reduced attention to other programs and increased staff "burnout." It is not fair to the agencies that put in this emergency effort, on the assumption that it was a one-time thing, to assume that they can continue to absorb the financial and human costs of such a program on a regular basis.

3. Extend the time allowed to develop plans, so they can advertise fully, coordinate adequately and realize savings from mass buying and other efficiency techniques.

The emergency conditions of EFSP Phase I, and to some extent Phase II, justified the very short time frame imposed on Local Boards. However, if EFSP continues to receive renewed funding, the combination of uncertainty and periodic frenzy becomes less justified.

(For Phase III the National Board has allowed Local Boards one month to develop their Plan, and has imposed requirements that Local Boards notify all potential providers, and that their planning include the development of cooperative ways to maximize what the EFSP gets for its money. These new provisions respond to many suggestions made from the local level, and should increase the EFSP's ability to embrace the whole community. It might also be helpful for the National Board to highlight the fact that Local Boards can change their Plans during the EFSP cycle, so that those who expressed a need for flexibility after Plan approval would understand clearly that the National Board supports their continued efforts to plan coordinate and achieve efficiencies in service delivery.)

4. Continue to require program accountability, in its present form (program audits and reports of meals served and nights of lodging provided).

The National Board's system of accountability has made it possible to find the Local Boards and direct service providers involved in the program (to include them in our data collection activities), and to report the actual levels of service provided with EFSP funds. The lack of equivalent data from the State Program is painfully evident, and accounts for our inability to report what that program accomplished. To continue the ability to report program accomplishments to Congress and other interested parties, maintaining the accountability system is essential. If possible, its usefulness could be enhanced even more by focusing some attention on reporting categories. It would help to develop categories for reporting meals that separate whole meals from nutritional enhancement of meals that would have been served anyway. More highly differentiated categories would also help for shelter services, or at least guidelines for how to count different ways of providing shelter.

5. Refund the State Program in addition to the National Board Program, UNDER THE CONDITIONS THAT (1) the EFSP becomes a regular, predictable federal program rather than an emergency program; (2) FEMA requires the states participating in the program to meet the same accountability standards that the National Board has set; (3) reauthorization is contingent on successful completion of an evaluation that includes full program documentation similar to that of the National Board Program; and (4) the formula for distributing money to the states follows National Board Phase III precedent rather than relying on the Community Services Block Grant (CSBG) formula.

We make this recommendation because the presence of the two funding streams during EFSP Phase I had certain advantages. The first advantage was the state agencies' ability to channel EFSP support to needy communities not captured by the National Board's formula (which had to rely on nationally available data rather than on first-hand knowledge of local communities). The second

advantage was the increased cooperation within both programs between public and private sector agencies, arising from the fact that both funding streams existed and furthered communication and coordination. This expansion of public-private cooperation was one of the hopes of the EFSP legislation; it should and can be further fostered under the right circumstances.

The two failures of the State Program were its relative inability to respond quickly to the emergency nature of the EFSP, and its poor record of accountability. Predictable funding that can be processed within states' regular budget development framework would compensate for the first difficulty. Requiring program documentation and providing both the categories and the forms to use for reporting should correct the second difficulty. States are, after all, quite used to reporting things to the federal government, but rarely undertake this task unless required to do so. Finally, the CSBG formula for distributing money among states does not incorporate the latest available data most relevant to local need for emergency food and shelter.

(The formula developed by the National Board during Phase III, which uses both unemployment and poverty statistics, is probably a better reflection of where the need exists. It should be adapted for use at the state level (rather than the county level as the National Board does), thereby giving the states an allocation based on the National Board formula, but permitting state agencies to distribute funds to the local communities they can document as having the most need, using additional criteria as necessary.)

Allow any EFSP money left over at the end of an authorization period to roll over and be available to spend during the next authorization period.

Although very little National Board EFSP money remained unspent or unencumbered at the end of Phase I and Phase II (0.8 percent and 2.2 percent, respectively), if the program continues to be refunded it makes sense to roll that money over into the next spending period rather than return it to the Treasury because the need is clearly there.

Provide guidelines for Local Boards describing ways to plan and develop EFSP services that leave a permanently expanded service base in the community once EFSP money has been used up.

Either as part of the guidelines, as special bulletins, or as an outcome of the "exemplary program" project now underway, describe for Local Boards some ways to use EFSP funds that have the

for Local Boards some ways to use EFSP funds that have the potential to leave behind a permanent legacy of expanded service capability.

8. Include payment of one month's utility bills in allowable costs.

(The National Board has already incorporated this recommendation in the guidelines for Phase III.)

9. Examine guidelines for provisions that may constrain service delivery in rural areas, and expand provisions to allow for service structures better fitted to these areas.

The clearest example of a difficulty posed for rural areas by the present guidelines is the prohibition on paying salaries. In most rural areas, needy families are widely distributed geographically, and coming to a central location is both expensive for them and often a practical impossibility. Rural providers need drivers to distribute food vouchers, grocery bags and other needed items, but cannot pay them under present guidelines. The National Board might institute a mechanism for special waivers to pay drivers if rural areas can document a need to distribute EFSP services in this way.

Methods

Data reported in this summary come from several sources. Here we describe the telephone surveys, mail questionnaire surveys, interviews, National Board files and other techniques that provided the information for this evaluation. With each method and each sample, we asked questions covering many of the same areas: how decisions got made, what services were offered, who received services, impact of the EFSP on the provider community and integration with other services, ongoing need, administrative issues, and recommendations. Respondents answered these questions from their own unique organizational perspective (national, regional, state, local administrator and local service provider).

National and Regional Interviews

We conducted in-person interviews with all members of the National Board and with the FEMA staff located in Washington. Telephone interviews covering the same material reached the ten FEMA regional representatives responsible for administering the State Program.

State Agency Administrators

We mailed a questionnaire covering factual and technical details of program administration to the 53 state agency administrators responsible for the EFSP. Forty states returned this questionnaire. We also interviewed all 53 state administrators by telephone to get their opinions of the EFSP. The questionnaire and the telephone interview protocol can be found in our first

report from this evaluation (see footnote 1).

Local Boards and Intermediaries

Local Boards were responsible for determining local allocations of EFSP funds -- deciding which agencies got how much to give which clients what services. Twenty-eight (28) state agencies used intermediaries at the local level to serve essentially the same function. These intermediaries were often local government agencies or CAP agencies, but also included National Board Program Local Boards and state-level voluntary charitable organizations. Thirty-nine (39) state agencies gave EFSP funds directly to service provider agencies. Twenty-seven (27) states did both.

We sent questionnaires to a stratified random sample of 500 Local Boards, based on United Way of America lists of funded jurisdictions, and received 289 completed questionnaires (a 58 percent response rate).

Since FEMA could not produce a list of all the intermediaries or direct service providers that received EFSP money through the State Program, we had to rely on state administrators to send us these lists. Although we asked all state administrators to mail these lists to us, only 13 complied. Probably these were the states most able to do so, and therefore the most organized states with the best system of accountability. We do not know whether the remaining states would not, or could not, send us the information we needed, but we suspect that at least some of them could not. These 13 states provided a total of 255 intermediary organizations, all of which received questionnaires. We received completed questionnaires from 129 (51

percent). Altogether, these response rates are excellent for mailed questionnaires, and reflect the EFSP participants' interest in and commitment to the program. Copies of the questionnaires can be found in our second report from this evaluation (see footnote 1).

Direct Service Providers

We conducted telephone interviews with a sample of direct services providers chosen for their various relationships to the EFSP. They are not in any way a random sample of providers, but do represent important different types of providers, with different perspectives on the EFSP. We interviewed 22 providers who only received money from the State Program; 30 National Board Program providers affiliated with large national charitable organizations (e.g., Red Cross, Salvation Army, Catholic Charities); 29 National Board Program providers who were unaffiliated with national organizations, and were often local food kitchens, churches, shelters and other grassroots operations; 10 agencies who received National Board Program funding, but would refuse to participate again; and 10 agencies that did not receive any EFSP money from either program. The telephone interview protocol used with this sample can be found in our third report for this evaluation (see footnote 1).

National Board Records

The National Board maintained computer files for all Local Boards and direct service providers receiving EFSP support during all phases of the program. We used these files to select samples for our mailed questionnaires

and telephone surveys. We used provider feedback to the National Board to select providers who received no funding, and those who said they would not participate in the program again. We used summary statistics compiled by the National Board from its own files to report total number of meals served and nights of shelter provided, the average cost of these services, the distribution of EFSP funds over types of agencies and regions of the country, and other similar data. We used the financial data contained in the individual records of direct service providers. Finally, we regularly checked with the staff responsible for maintaining National Board records for corroboration of survey results where those were available.

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**MAJOR FINDINGS: EVALUATION OF
THE EMERGENCY FOOD & SHELTER PROGRAM**

January 1985

By

Martha R. Burt
Lynn C. Burbridge

This research was funded by a grant from the National Board of the Emergency Food and Shelter Program. Opinions expressed are those of the authors and do not necessarily represent the views of the funders, the Urban Institute or its sponsors.

**MAJOR FINDINGS: EVALUATION OF
THE EMERGENCY FOOD & SHELTER PROGRAM**

Overall Assessment

- o The overwhelming majority of people and organizations involved in the EFSP--direct service providers, Local Boards, intermediary organizations, state agency personnel and National Board members--felt that the program filled a great need and led to greater interaction among community agencies. They viewed the program as an overall positive experience.
- o EFSP dollars provided a very large amount of emergency food and shelter at a time when communities were experiencing a high demand for those services without the resources to meet it.
- o The National Board Program was able to distribute EFSP funds significantly faster than the State Program, and ran its operations with greater accountability.
- o At the local administrative and service provider levels, however, we found few significant differences between the National Board Program and the State Program. The very great degree of overlap between the two programs at the local level (more than half of our respondents received EFSP funds from both programs) accounts for this finding.

Targeting Services on Those Who Need Them

- o National Board Program funds went heavily to areas with high unemployment. Parallel data are not available for the State Program.
- o The long-term and recently unemployed benefited most from EFSP, followed by female-headed households, the deinstitutionalized, and transients. No important differences emerged between programs.
- o Most providers used EFSP funds to serve families rather than individuals.
- o EFSP funds helped many of the "new poor" who had never before received welfare during the period while their welfare applications were being processed.
- o The National Board and State Programs divided their money similarly among urban, suburban, rural and mixed communities.

Services Provided

- o The National Board Program used \$91 million in EFSP funds to distribute 85 million additional meals and 13 million additional nights of lodging. Parallel data for the State Program as a whole are not available.
- o EFSP services included food vouchers/banks/kitchens, shelter vouchers, mass shelters, rent and mortgage assistance.
- o Items not allowed under EFSP guidelines but frequently needed by clients and programs included utility payments, more than one month's rent or mortgage assistance, security deposits, and prescription drugs for clients, and freezers and other capital equipment for programs.
- o Evidence of several types attests to the "extra" nature of EFSP services, and that EFSP funds were used to supplement existing services rather than to supplant previous funding sources.
- o No data exist that would let anyone answer the question "How much did the EFSP increase the amount of emergency food and shelter services available in the nation?" because no one knows how many meals or nights of lodging were available before the EFSP.

Continued Need

- o Virtually all people involved with EFSP see a continued need for emergency food and shelter services in their communities.
- o Most EFSP providers and administrators would gladly participate in providing additional rounds of EFSP services.

Community Impact

- o 70 percent of EFSP communities succeeded in drawing previously uninvolved community groups such as churches and synagogues into providing food and shelter services.
- o In most EFSP communities, direct service providers worked extensively with other government programs.
- o The great majority of EFSP communities experienced increased public-private cooperation as a result of participating in EFSP, and thought their communities had responded more to the EFSP than to other government programs.
- o About 70 percent of respondents believed their communities would reap some lasting benefits from EFSP participation, largely in the form of

newly established networks for developing and coordinating services.

- o Despite the enthusiasm for the EFSP, very few communities could sustain EFSP services with local funds alone.

Fairness

- o 53 percent of National Board support went to agencies not affiliated with the organizations represented on the National Board. At the local level, distribution of EFSP funds was generally perceived as fair.

Timing and Responsiveness

- o The National Board Program was clearly quicker and more responsive than the State Program to the emergency nature of the EFSP. Its allocation procedures went much faster, and money reached direct service providers much earlier.
- o National Board money was 90 percent distributed by July 8, 1983, whereas 60 percent of State Program funding was unallocated as of July 30, 1983. By the end of the EFSP Phase I funding period (September 30, 1983) National Board money was completely in the hands of providers, but about one third of the state agencies had only just encumbered 10 percent or more of their EFSP funds, and providers could not yet use them.
- o The short time frame for making decisions and spending EFSP funds received criticism from many participants because they believed it hampered their ability to include everyone, plan adequately, run the program efficiently, and allocate services most appropriately.
- o Local Boards could have continued to plan, advertise, coordinate, shift funds between food and shelter allocations and even shift them between service delivery agencies, and many did actually shift funds in these ways. Nevertheless, they still expressed displeasure at the constraints they perceived to result from the EFSP's short time frame.
- o Bureaucratic requirements for spending money made state agencies slow to respond to the emergency nature of the EFSP. If the program were predictable, and coincided with state funding cycles, states could probably be more responsive.
- o The EFSP's time constraints plus its unpredictable funding pattern to date have hindered providers from running maximally efficient and effective programs.

Accountability

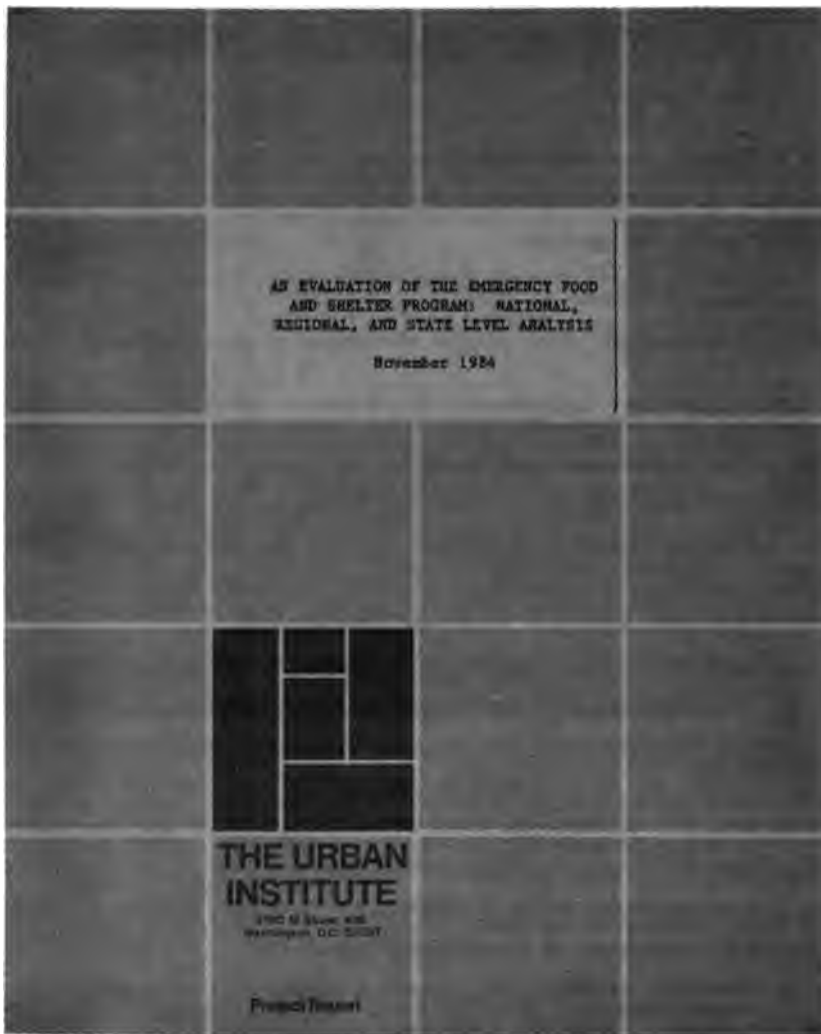
- o The National Board's system of accountability included accurate records of how much money each agency received, the number of meals and nights of lodging the money bought, and audits to assure that funds were spent only for eligible items and that administrative cost ceilings were enforced. FEMA imposed no system of accountability, on the State Program, so it cannot provide equivalent assurances that EFSP program goals were met for the State Program. In this respect, the National Board Program has performed much better than the State Program.

Administrative Cost Allowance

- o Virtually no one involved with the EFSP found the administrative cost allowance adequate.
- o At every level, 60-80 percent of agencies reported "borrowing" from their own non-EFSP resources to help cover administrative costs.
- o Half the intermediaries and two thirds of the Local Boards used volunteers to help them offset unreimbursed administrative costs. More intermediaries than Local Boards raised additional money, but altogether only 9 percent reported raising money specifically for EFSP.
- o Professional and clerical staff time to help run the program accounted for the greatest problems with unreimbursable administrative costs. Programs covering large geographical areas also had trouble covering transportation and telephone expenses.
- o Agencies participating in the EFSP reported "usual overhead rates" for their other programs of 9.6 percent, on the average.
- o Local EFSP agencies thought an administrative cost allowance of 4-6 percent would adequately cover their EFSP costs. National Board administration can be handled within the existing 1 percent allowed.

These findings are described in greater detail in three reports produced for this evaluation:

1. Burbridge, L.C.; Miller, A.; Surber, M.; van Houten, T.; Colocci, M. and Burt, M.R. "An Evaluation of the EFSP: National, Regional and State Level Analysis." Washington D.C., Urban Institute Project Report, November 1984.
2. Burbridge, L.C.; Miller, A.; Goodis, T.; van Houten, T. and Burt, M.R. "An Evaluation of the EFSP: Local Boards and Intermediaries." Washington D.C., Urban Institute Project Report, January 1985.
3. Surber, M.; Burbridge, L.C.; Miller, A.; Goodis, T.; Colocci, M.; van Houten, T. and Burt, M.R. "An Evaluation of the EFSP: Direct Service Providers." Washington D.C., Urban Institute Project Report, January 1985.



AN EVALUATION OF THE EMERGENCY FOOD
AND SHELTER PROGRAM: NATIONAL,
REGIONAL, AND STATE LEVEL ANALYSIS

November 1984

By

Lynn C. Burbridge
Annie Miller
Monica Surber
Therese van Houten
Michele Colocci
Martha R. Burt

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those of the authors and do not necessarily represent the view
of the Urban Institute or its sponsors.

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GLOSSARY OF TERMS

FEMA: Federal Emergency Management Agency

EFSP: The Emergency Food and Shelter Program

CSBG: Community Services Block Grant

National Board Program: that portion of the Emergency Food and Shelter Program administered by the National Board.

State Program: that portion of the Emergency Food and Shelter Program administered by the states.

Phase I: the first round of funding for the Emergency Food and Shelter Program covering the period from April 1983 through March 1984. Both the National Board and the states administered programs under Phase I.

Phase II: the second round of funding for the Emergency Food and Shelter Program covering the period from December 1983 through May 1984. Only the National Board allocated funds under Phase II.

Intermediary Organizations: those organizations receiving funds from the states, to distribute in turn to direct service providers. They were a part of the State Program, Phase I.

Direct Service Providers (or Service Providers): those organizations that provided the services (food or shelter). They may have received funds from Local Boards, other Intermediary Organizations, or directly from the states.

EXECUTIVE SUMMARY

This report is the first of a series of reports on the Emergency Food and Shelter Program initiated by Congress in March of 1983. The primary focus here is on the operations of the program at the national, regional, and state levels. Subsequent analyses will focus on the program at the substate and service-provider levels.

When the bill which authorized \$100 million for the Emergency Food and Shelter Program was signed by the president on March 24, 1983, it was intended to be a one-time, emergency program to supplement on-going food and shelter services being provided by public and private agencies throughout the country. However, the program has become popular with the Congress, which appropriated another \$40 million for it in November of 1983 and \$70 million in August of 1984.

In the original legislation, one-half of the money (\$50 million) went to the states to disburse and one-half went to a National Board--made up of representatives of six private voluntary organizations and a government representative--to distribute. The Federal Emergency Management Agency was made the lead federal agency for both "tracks" of the program. The states either allocated their funds to direct service providers or to intermediary organizations--cities, counties, or private voluntary organizations--which in turn allocated funds to service providers. Most states gave money to both providers and intermediaries. The National Board allocated their funds to designated civil jurisdictions, where Local Boards were convened to choose which agencies would be providers of services on the local level for the program. Congress was so impressed with the speed with which the

National Board disbursed their funds, that appropriations subsequent to that made in March of 1983 have all been funneled through the National Board.

The Urban Institute conducted a series of interviews with those involved in the program at the national, regional, and state levels, and administered a questionnaire at the state level regarding the operations of the Emergency Food and Shelter Program. The results of these efforts are highlighted as follows.

- o There were major differences in the decision-making process for the National Board Program than was found for the State Program. This is not surprising since there was only one decision-making body at the supra-state level for the former, and over 50 such bodies for the latter. The state social service agency was most often designated to administer the program in the states. However, there was considerable variability from state to state in legislative and gubernatorial involvement in the decision-making process for this program.
- o Overall, the states were much slower in disbursing their funds than was the National Board. For the first round of funding (March 1983), the latter had disbursed all their funds by September 30, 1983. The states had only distributed 54 percent of their total allocation. Reasons for delays in State Program allocations included: some states used a request for proposal (RFP) process in order to choose recipient organizations; some agencies had to write state program regulations first; some states

had to wait for legislative authorization to spend funds; and some states waited for National Board allocation decisions to be made before making their final decision.

- o The National Board made use of unemployment data in order to make allocation decisions, while the states used a variety of measures. The most common allocation formula used by states for making allocations combined unemployment data and poverty statistics.
- o Concern was expressed by members of the National Board and by state agency administrators that unemployment data alone may not be the best proxy for hunger and homelessness in an area. State agency administrators felt that they were better able to target their funds to those in greatest need, given their greater knowledge of the problems in their regions of the country. National Board members felt that their formula was adequate, given the Congress' particular concern for targeting the recently unemployed, but welcomed continued state involvement in the program.
- o The major recipients of services in the State Program were the long-term unemployed, the recently unemployed, and transients. Those areas in which the first two groups are found should be well-targeted using the National Board formula, while those in the last group would not. Little is known about the primary recipients of services for the National Board Program at this stage of the analysis.

- o Not surprisingly, the states were more likely to use CAP agencies and local government agencies as service providers than was the case for the National Board Program, although many private voluntary organizations (other than CAPs) were funded by the states. All of the National Board funds went to private voluntary organizations (5 to 7 percent of which went to CAPs), with a few exceptions.
- o For both the State Program and the National Board Program, most of the funds (approximately two-thirds) went to food as opposed to shelter.
- o Most of the complaints about the State Program and the National Board Program centered around ineligible cost items and the short timeline for the program. Concerns were expressed about limitations on the amount of funds that could be used for administration and limitations on what could be considered as eligible operating expenses. Many of those interviewed felt that not enough time was given to plan the program and that not enough consideration was given to what were the peak seasons (e.g., winter) for demand of food and shelter services. The required audit also created problems for many.
- o Recommendations, solicited from those interviewed, as to how the program could be improved—not surprisingly—entered on changes in the amount allowed for administration and allowable cost items. The timeline for the provision of services, it was felt, should be made longer and more flexible as well. Changes in the audit requirement were also proposed.

- o Most of those interviewed felt positively about the program but were concerned that it was only a band-aid remedy for a much larger social problem. While there was support for continued efforts in providing emergency food and shelter services, it was felt that much more needed to be done to treat endemic poverty.

INTRODUCTION

In March 24, 1983 the president signed Public Law 98-8, referred to as the "Jobs Stimulus Bill". The bill provided monies for rebuilding infrastructure and restoring parks, and for community development efforts. There were also provisions for employment and training assistance and increased health care and education services. Finally, the law mandated programs to give emergency food and shelter assistance for the needy, including the distribution of surplus food commodities and the establishment of an Emergency Food and Shelter Program. The Emergency Food and Shelter Program continues to receive funding from Congress even though the monies originally authorized have been disbursed. In November of 1983 and again in August of 1984, Congress has appropriated additional funds to this program. What had originally begun as a temporary, emergency program, therefore, has begun to take on a life all of its own.

This evaluation will examine the Emergency Food and Shelter Program, from its beginnings. It will look at the changes that have occurred as the program has matured. It will investigate the possible impact it has had on the organizations and community that have received funding from it, and on the persons who have received services because of it. The views of participants and program operators as to how the program should be changed or improved will also be presented. The evaluation will make use of program data, personal and telephone interviews, and responses to mailed questionnaires in order to get as complete a picture as possible.

An evaluation of the Emergency Food and Shelter Program also presents a unique opportunity to investigate the viability of a public/private venture to provide social services to those in need. The original

legislation included \$50 million to be disbursed by the states and \$50 million to be disbursed by a National Board made up of representatives of private nonprofit charitable agencies. Not only is it possible to compare the program run by the states to that run by the National Board, but it is also possible to examine the extent to which the publicly run and privately run programs complemented each other. Further, in looking at the National Board Program alone it will be possible to examine how well a publicly funded but privately run program can carry out the policy objectives of Congress.

This report will be one of three. It will look at the operations of the program on the national and state levels. A second report will focus on the Emergency Food and Shelter Program at the sub-state or local level. The third report will investigate the response of private voluntary organizations to this program. A final overview volume that summarizes the results from these three studies is anticipated as well.

The first section of this report gives a brief background on the concerns of Congress that led to the enactment of this program, a short discussion of its legislative history, and a general overview of the program and its operations from March 1983 to the present. A more in-depth view of the National Board Program will come next, followed by a section giving a more detailed examination of the state run portion of the program. As stated earlier, this stage of the analysis will focus on program operations as they occurred on the national and/or state levels. A final section will present conclusions and a discussion of the issues to be brought up at further stages of the analysis.

I. BACKGROUND AND OVERVIEW

Background

In recent years Congress has heard repeated complaints from representatives of charitable organizations that their food kitchens and shelters were filled to capacity and that people in need were being turned away.¹ Private voluntary organizations with long traditions of providing food and shelter services to the poor were experiencing unprecedented numbers of clients coming to their doors; many more than they could possibly serve. They cited the deepening recession and cutbacks in government services to the poor as major contributing factors. However, increases in the homeless population have also been attributed to other trends, particularly the deinstitutionalization of mental patients that has occurred in recent decades (as well as the tightening of eligibility criteria for institutionalization) and the shortage of low-income housing resulting from inner city "revitalization."

Of significant interest to members of Congress were disturbing trends that were seen by social service workers in the composition of the hungry and/or homeless populations. This population has become much younger, includes more minorities (particularly Hispanics), includes more women and children, and includes more persons with severe mental disorders. Further, many case workers began pointing to the emergence of a group designated as

¹Most of the following discussion is drawn from testimony presented in "Homelessness in America," hearings before the House Subcommittee on Housing and Community Development, December 15, 1982; and "Problems of Hunger and Malnutrition", hearings before the House Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, February 28 and April 30, 1983.

the "new poor"; persons and families with no previous histories of economic hardship that have been hit by the worst economic downturn since the Great Depression. The new poor have been defined as formerly middle-class persons who have lost their jobs and their homes, have exhausted their unemployment insurance, and are often unable to cope as well as those who are "accustomed" to poverty.

The greatest complaints came from the hard-hit industrial Northern states, but even those from the more prosperous Sun Belt states complained of insufficient resources to address the needs of transients that began pouring in looking for work. Those from rural areas were complaining that as homelessness was not as great a problem, the hunger that existed in these areas was often overlooked. Winter time was particularly problematic as the need for shelter became greater for the homeless. Further, even those with homes were hard hit at this time as scarce resources were diverted to "heating instead of eating".

There are no real estimates of the numbers of people who represent the "new poor". Estimates of the homeless population in general range from 250,000 to 2.2 million.² The numbers of those who may be hungry or undernourished are even more difficult to determine. However, Congress was impressed enough with the evidence presented by representatives from various private and public social service agencies to treat the problem of homelessness and hunger as an emergency situation requiring emergency measures.

²For example, see U.S. Department of Housing and Urban Development, "Report to the Secretary on the Homeless and Emergency Shelters"; and Mary Bombs and Mitch Lydes, Homelessness in America (Washington D.C.: Community for Creative Non-Violence, 1983).

The first attempt by Congress to write legislation providing for emergency food and shelter was in the lame duck session of the 97th Congress. As part of a \$5.4 billion jobs package in the House version of the continuing resolution, was a provision for \$50 million to go towards the establishment of an Emergency Food and Shelter Program. However, the jobs package was dropped during a conference with the Senate, under the threat of a possible presidential veto. The program was reintroduced in the 98th Congress. A House version of the bill called for the establishment of a National Board to distribute \$50 million. The board was to consist of representatives from the Salvation Army, the American Red Cross, the National Conference of Catholic Charities, the Council of Jewish Federations, the National Council of Churches, and the United Way of America. The Senate version of the bill had \$50 million being disbursed through the states. In a House/Senate compromise, \$100 million was allocated for an Emergency Food and Shelter Program; half of which was to be disbursed by the National Board (The National Board Program), the other half by the states (The State Program). The bill was signed by President Reagan on March 24, 1983.

The Federal Emergency Management Agency (FEMA) was designated as the lead federal agency with responsibilities to both the National Board Program and the State Program. It was to see to it that money was allocated to the states using the Community Services Block Grant formula, and was to supervise and monitor the State Program. A FEMA representative was also to serve as chair of the National Board.

The National Board was required by the legislation to designate those localities most in need of emergency food and shelter and to determine each

locality's share of the \$50 million. It was to convene a Local Board in each of these areas, made up of a local government representative and local representatives from the same organizations sitting on the National Board. In turn, these Local Boards were to allocate their award to direct service providers of food and shelter. In the State Program, each state was also responsible for designating those areas and/or providers that would receive funding. The legislation mandated that no more than 2 percent of funds be used for administration of the program.

The National Board Program disbursed its monies so rapidly that in November of 1983 Congress appropriated another \$40 million to their program (but not to the State Program). Public Law 98-151, signed on November 14, 1983, provided \$10 million in supplemental funding and Public Law 98-181, signed on November 30, 1983, provided another \$30 million. The expenditure of this \$40 million will be referred to as Phase II of the Emergency Food and Shelter Program, while the earlier appropriation will be referred to as Phase I. Another \$70 million was appropriated by Congress, again to go to the National Board in August of 1984.

Overview

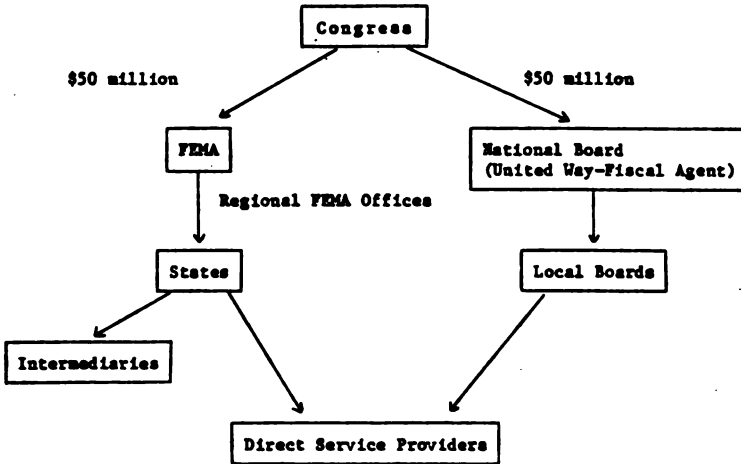
This evaluation covers Phase I and Phase II of the Emergency Food and Shelter Program (EFSP), or that part enacted in the original legislation, and the supplemental appropriations enacted in November of 1983. Chart I-1 presents a flow chart of how the allocation decisions were made for the State Program and the National Board Program under Phase I, and the National Board Program under Phase II.

Phase I. Under Phase I FEMA allocated \$50 million to the 50 states, Puerto Rico, American Samoa, Guam, Virgin Islands, the Trust Territories

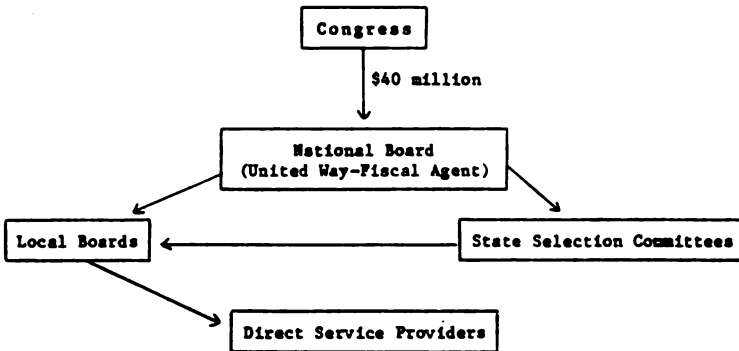
CHART I-1

THE ALLOCATION DECISIONS--THE OVERALL PROGRAM

Public Law 98-8 (Phase I)



Public Law 98-151 and 98-181 (Phase II)



and the Mariana Islands using the Community Services Block Grant formula. The states either allocated their funds directly to providers of food and shelter services in areas where they felt there was the greatest need, or intermediaries were designated by the states to make final allocation decisions. These intermediaries may have been cities or counties identified as having a need for these services or organizations that were considered as having the capabilities for making final decisions. There was considerable variation from state to state in how allocations were made, a subject that will be dealt with in greater detail in Section III. The FEMA national office and the ten FEMA regional offices were responsible for monitoring and providing technical assistance to the states.

The National Board under Phase I developed an allocation formula for choosing those civil jurisdictions most in need of emergency services.³ The local United Way in that jurisdiction was given responsibility for convening a Local Board in that area. The Local Board was then responsible for determining the allocation of the National Board award among the direct service providers in that jurisdiction. Where no local United Way was available in a given jurisdiction, the local American Red Cross was responsible for convening the local board. In some rural areas, churches or local government officials had to be sought out to convene a board. The United Way of America also served as secretary and fiscal agent for the National Board. When Local Boards made their allocation decisions, the United Way offices in Alexandria, Virginia, printed the checks out over

³Civil jurisdictions are defined as: (a) cities with a population of 50,000 or more, (b) counties regardless of size, and (c) balance of counties with cities ("a") taken out.

them directly to the providers. The Local Boards, therefore, never actually received any funds unless they chose to use some for administrative costs.

Phase II. Under Phase II only the National Board received an appropriation from Congress. As previously, an allocation formula was used to determine eligible jurisdictions, where boards were convened and final allocation decisions made.

However, The National Board also decided to allocate a minimum of \$100,000 to each state in lieu of the State Program.⁴ Those states with no qualifying districts or those for which their total award—when aggregated across qualifying districts—was less than \$100,000 were given grants to bring their total award to this figure. A state selection committee was convened in these states (15 in all) to make decisions about the allocation of these funds. Most of these State Selection Committees were made up of representatives from the same organizations as on the National Board plus the governor or his representative. Most of them designated those jurisdictions in need, where Local Boards were convened and where the final allocation decisions were made. In a couple of the very small states, the selection committee became the Local Board and chose the direct service providers to receive funds in their state. So in spite of the fact that only the National Board was funded in Phase II, there were still two "tracks" in the allocation decision-making process.

⁴Under Phase I, the Community Services Block Grant formula used for the state program provided a minimum allocation of \$125,000 to each state. The National Board took 80 percent of this amount (since the supplemental appropriation was 80 percent of the original) and determined that each state should receive the \$100,000 minimum.

The Timeline. As stated earlier, the reason why the National Board received the supplemental appropriation in November was because their first appropriation was disbursed much more rapidly than that of the State Program. Table I-1 presents a timeline of the major events that occurred under Phase I and Phase II. When the National Board was still making final decisions on the appropriate allocation formula, FEMA had already sent out letters of credit to the states. However, by July when the National Board had already disbursed nearly \$45 million in checks, the states had only distributed 35 percent of the total state allocation to localities and providers. By the end of September when the National Board had disbursed all of its \$50 million as well as reallocating interest income and returned funds, the states had only paid out 54 percent of the total allocation. By the time the supplemental appropriation had been enacted, 30 percent of state monies had yet to be disbursed. Originally both FEMA and the National Board had required that all funds be spent by September 30. In early July this was changed to "obligated" by September 30 and spent by March 31,⁵ thus giving the states some leeway (as well as giving some flexibility to those providers who wanted to use their funds for the winter months). The reasons why the states were less able to move as fast as the National Board are complex and will be discussed in detail in another section. But simply stated, the National Board—as a nongovernmental agency—was less encumbered by bureaucratic rules and requirements.

⁵This change was published in the July 1, 1963 Federal Register for both the State Program and the National Board Program. The states were required to have their audit completed by March 31, however, so in most cases required the money be spent before then.

TABLE I-1
TIMELINE OF EVENTS

	State Program	National Board Program Phase I	National Board Program Phase II
1983			
March 24	Public law 98-8 signed	Public law 98-8 signed	
April 22	Letter of credit FEMA to states		
May 4		Allocation decision finalized	
May 9		Award letters sent out	
May 22		First checks cut	
June 10		First reallocation	
July 8		\$44.7 million disbursed	
End July	\$17.5 million disbursed state to local	National Board to Jurisdictions	
August 23		Second reallocation	
September 30	\$27.2 million disbursed state to local	\$50.7 million disbursed	
Mid-November	\$35 million disbursed state to local	National Board to Jurisdictions	
1984			
November 14			Public Law 98-151 signed
November 30			Public law 98-181 signed
December 5			Allocation decision finalized
December 16			Award letters sent
January 5			First checks cut
February 9			\$23.2 million disbursed
February 13			First reallocation
February 21			Second reallocation
March 31	All accounts closed out	All accounts closed out	\$40.6 million disbursed
May 15			All accounts closed out

Table I-1 also shows the National Board Program moving very quickly to disburse Phase II funds as well.

Given this overview of the NFSP, it is now possible to look at the National Board Program and the State Program in greater detail. In the following section is a discussion of the operations of the National Board Program on the national level. This will be followed by an analysis of the operations of the State Program on the national, regional, and state levels.

II. THE NATIONAL BOARD PROGRAM

In this section the National Board Program is described. This section is based in part on information provided by the United Way on the program, including minutes of the National Board meetings. Extensive personal interviews with Board members and staff to this program were also conducted, the contents of which are integrated into this discussion.

The Decision-making Process

Early in March of 1983, representatives of the nonprofit organizations named in the pending legislation met. They decided on who would serve on the National Board when the bill was passed and signed, and agreed that the United Way was the most capable of serving as fiscal agent. When FEMA convened the first formal meeting of the National Board on March 30, 1983, the nonprofit representatives were already prepared with a list of concerns: (1) that the funds be distributed to areas of high need as quickly as possible, (2) that there be accountability both nationally and locally, and (3) that flexibility should be given to providers with demonstrated capabilities.

Dennis Kwiatkowski, Chief of the Individual Assistance Division of FEMA, was that agency's representative on the board. As provided in the legislation, he serves as chair. Those designated representatives from the other agencies were: Brother Joseph Berg from the National Conference of Catholic Charities, Enso Bighinatti of the American Red Cross, Dr. Lisle Carter of the United Way of America, James Hamilton of the National Council of Churches, Lt. Col. Ernest Miller of the Salvation Army, and Mark Talisman of the Council of Jewish Federations. Mary Cooper represented James Hamilton throughout Phase I of the program and was named the official

representative of the National Council of Churches for Phase II. Designated as staff to the National Board and participating in most of the board meetings were Karen Keefer of FEMA and Robert Buggan of the United Way of America, who also served as secretarist and lead staff person for the board. William (Ike) Fields replaced Bob Beggan as the United Way staff person for Phase II.

Board decisions were made by consensus. Each of the seven board members—Kwiatkowski and the other six nonprofit representatives—had one vote. If a board member could not attend a meeting where an important decision was being made, he or she would be called for his or her vote.

The National Board made major policy decisions for the National Board Program while allowing Local Boards as much discretion as possible in running the program on the local level. They developed and approved the Emergency Food and Shelter National Board Plan, which contained guidelines and reporting requirements that the Local Boards were to follow. The guidelines were fairly broad but included a list of eligible and ineligible cost items. Three reports were also required. The National Board also determined what allocation formula was to be used to distribute funds. Finally, they heard and voted on various appeals and requests for waivers on certain requirements that were brought to them once the program was underway. Further, several of the board members met with members of Congress from time to time to discuss the progress of the program.

Robert Beggan was given authority to make day-to-day decisions as they came up at the United Way. He approved Local Board distribution plans, passed down National Board policy decisions to the many local boards and direct service providers calling in to the United Way for guidance, and

supervised the audit of the program. Ike Fields, who took over these responsibilities from Beggan, has also been responsible for certifying that those organizations that had received funding in the first phase had satisfactorily completed their paperwork—a necessary qualification for receiving funds under Phase II. Karen Kaefer, the FEMA staff person, worked closely with United Way staff and was also involved in trying to help Local Boards coordinate their activities with State Program designated agencies and with surplus food commodities program coordinators. She also responded to many of the calls coming into the FEMA offices for information or guidance on the program. Answering calls with respect to the EFSP became a major task for United Way of America and FEMA staff. Ten United Way staff were assigned to a "telephone tree" receiving as many as 40 calls per day per person. Kaefer estimated answering as many as 70 calls per day coming into the FEMA offices. As would be expected, the volume of calls was particularly large when the program was in its beginning stages.

The National Board also solicited input from other private voluntary organizations—not named on the board—and from public interest groups, for their suggestions regarding the operations of the National Board Program. A meeting was called by the National Board on April 8, 1983—a few weeks after receiving their initial appropriation—to share information and receive comments from representatives of these organizations. Another meeting was called on December 5, 1983—following the second appropriation—again to provide information and to encourage suggestions as to how the program should be modified or changed. Issues discussed in these meetings included: problems in finding an adequate data source in order to make allocation decisions, the content of the National Board Plan,

advertising the program so that all private voluntary organizations will have a chance of funding, and the appropriate person on the local level who should be informed of the EFSP.

In interviews with board members they were unanimous in their feeling that the decision-making process went smoothly and that Board members got along well. The major source of conflict among board members revolved around allowable administrative costs and eligible operating cost items in the National Board guidelines. The major source of frustration for the board was the lack of adequate data on which to base their allocation decisions. Both of these issues will be discussed in greater depth shortly.

The board was unanimous in their praise of the United Way in its job as fiscal agent. Robert Beggan was particularly singled out for doing a wonderful job of getting the program off the ground.

The Allocation Process

In making its allocation decisions the National Board relied on unemployment data provided by the Bureau of Labor Statistics (BLS). They investigated a dozen other possible sources of data, such as poverty indices and homelessness estimates, but only the BLS unemployment data was found to be current, reliable, and consistent across jurisdictions.

In interviews with Board members, most expressed dissatisfaction with these data and sympathized with the criticisms of others that unemployment is not necessarily a good proxy for the extent of need, such as hunger or homelessness in an area. They felt, however, that they had no other choice but to use these data. It was also pointed out that this was an emergency program established by Congress to address the problems created by the

recession and not a program to address endemic poverty. Therefore, unemployment data were adequate to deal with these more limited aims.

In making their allocation decision, the board wanted to get funds to those areas in which there were large numbers of unemployed persons, without penalizing rural areas where numbers were small but unemployment rates may be high. They chose two bounds to determine qualifying jurisdictions: (1) jurisdictions with 18,000 or more unemployed and with an unemployment rate of 7.8 percent or more, and (2) jurisdictions with 100 to 17,999 unemployed and an unemployment rate of 13 percent or more. (Table II-1 presents the allocation and reallocation decisions of the board for Phases I and II.)

As there was some concern that those jurisdictions that fell between these two bounds—those with unemployment rates between 7.8 percent and 13 percent—may have special needs, the United Way conducted a survey of these jurisdictions, 517 in all.⁶ From this survey six jurisdictions were identified as having special needs justifying an award in spite of their not qualifying according to the basic formula. The board also included "balance of county" jurisdictions that had not qualified, if the city for that county did, and visa versa. The allocation decision was finalized in early May of 1983. The actual size of each award was based on the numbers of unemployed in a qualifying district.

However, after the disbursement of funds was under way, the National Board became concerned that there were some cases where the city and the county were unqualified for funding when taken alone, but did qualify when

⁶Questionnaires were sent out to local United Way offices in these jurisdictions.

TABLE II-1

ALLOCATION FORMULAS
NATIONAL BOARD PROGRAM—PHASE I AND PHASE II

	Phase I (April 1983 to March 1984)	Phase II (December 1983 to May 1984)
<u>Allocation Decision</u>	<u>Allocation Decision</u>	<u>Allocation Decision</u>
o	Jurisdictions with 18,000+ unemployed and a 7.8+ percent unemployment rate; and jurisdictions with 100 to 17,999 unemployed and 13+ percent unemployment rate	o Jurisdictions, including balance of county, with 18,000+ unemployed and a 8.1+ percent unemployment rate; and jurisdictions, including balance of county, with 1,000 to 17,999 unemployed and a 13+ percent unemployment rate
o	Balance of county (city) where city (balance of county) qualified according to above formula	o Minimum \$100,000/state
o	Six jurisdictions from the survey of communities with between 7.8 percent and 13 percent unemployment rate	
<u>Reallocation Decision</u>	<u>Reallocation Decision</u>	<u>Reallocation Decision</u>
o	City and its county—when data for both were aggregated—that qualified according to the first formula (seven areas)	o Existing jurisdictions o Urban-rural split: 78/22 o Those with highest unemployment rates (40.7 percent to 16 percent)

aggregated. Seven such city/county areas were identified. So in June when the National Board was considering reallocating accrued interest income, it was decided to award these monies to the seven areas in question. A later reallocation—including more accrued interest and returned awards—was also made to these areas. In all, \$974,461 was reallocated.

In Phase II a similar allocation formula was used. The bounds were: (1) jurisdictions with 18,000 or more unemployed and with a 8.1 percent unemployment rate, and (2) jurisdictions with 1,000 to 17,999 unemployed and a 13 percent unemployment rate. Balance of county data was included from the beginning so there was no need to add it in as had been the case in Phase I. In reallocating interest income and returned awards—\$645,000 in all—three criteria were used: (1) only previously qualifying jurisdictions were funded, (2) urban and rural areas were to receive funds according to a 78:22 ratio, as was found for the original Phase II allocation, and (3) those with the highest unemployment rates—between 40.7 percent and 16 percent—were to receive these monies.

Table II-2 presents the distribution of the allocations made by the National Board Program among census regions. Allocations for Phase I and Phase II are presented, as are those for the State Program for purposes of comparison. The National Board formula provided a much greater allocation for the East North Central and the Pacific Regions than is found with the State Program formula. It funded the South Atlantic and the West South Central considerably less than the State Program. In Phase II of the National Board Program, however, considerably more funding went to the West South Central than was the case under Phase I. Since the Phase I allocation was based on unemployment data for 1982 and the Phase II

TABLE II-2
 PERCENTAGE DISTRIBUTION OF GRANT AMOUNTS
 BY CENSUS REGION

	State Program	National Board Program Phase I	National Board Program Phase II ^b
New England	5.6	1.9	2.6
Middle Atlantic	16.3	16.4	16.4
South Atlantic	16.4	7.9	8.4
East North Central	15.6	32.8	29.8
East South Central	7.4	7.7	6.4
West North Central	7.4	2.8	3.4
West South Central	10.2	2.9	7.3
Mountain	4.1	3.8	4.0
Pacific	12.1	22.1	19.9
Other ^a	4.9	1.9	1.9

Source: United Way of America and FEMA data.

a. Includes: Puerto Rico, American Samoa, Guam, Virgin Islands, Trust Territories and Mariana Islands.

b. Does not include reallocations.

allocation was based on unemployment data covering the period from October 1982 to September 1983, this difference probably reflects a shift in the locus of the recession. However, the Middle Atlantic, the East North Central, and the Pacific regions clearly were the most seriously affected areas, given the bias of the distribution towards these areas for both phases of the National Board Program.

Appeals, Waivers, and Disputes

After the allocations were made, the National Board received a spate of complaints concerning their final allocations (particularly after Phase I), with respect to their guidelines for spending the allocations, and regarding decisions made on the local level. Table II-3 presents those actions that were voted on by the board. They do not represent all the complaints received, only those that were formally heard. Many of the problems that came in were handled informally by United Way staff.

The board received a large number of appeals for funding from nonqualifying jurisdictions or appeals for further fundings by those already funded. The board generally stood firm with respect to its allocation formula, only making an exception in the case of the seven areas that received funds in the Phase I reallocations. In interviews with members of the board, it was stated that by sticking to this formula they were not vulnerable to any attempts to make them show favoritism to a particular area.

The board also heard several disputes regarding charges of unfairness in the distribution of funds by a Local Board or by a direct service provider. The policy of the National Board in these cases was to require the Local Board to set up an appeals process and settle these disputes

TABLE II-3

**APPEALS, WAIVERS, AND DISPUTES HEARD BY
THE NATIONAL BOARD (THROUGH MAY 31, 1983)**

Action	Number of Times
<u>Appeals</u>	
First time funding	41
Additional funding	11
<u>Disputes</u>	
Local board distribution of funds	6
Use of funds distributed	3
<u>Waiver Requests</u>	
Utility payments	14
One-month limitation on rent/mortgage assistance	7
Capital purchases/building rehabilitation	7
Purchase of supplies	5
Rent deposit payment	4
Missed deadlines	4
Co-mingling of funds	4
Purchase of medications	3
Public agency use of funds	3
Use of umbrella organization	3
Tax assistance	2
Relocation assistance	2
Other	10

Source: Minutes of National Board Meetings.

Note: These represent items that were heard formally by the board. National Board reports state that the most waivers requested concerned utility payments, rent deposits, capital equipment, personnel costs, shelter refurbishment, medical prescriptions, and expansion of limited rent/mortgage assistance.

themselves. In only a few of these cases did an investigation by a government Inspector General become necessary. The National Board plan for Phase II required that each Local Board establish an appeals process.

Most of the waiver requests concerned ineligible cost items that were a part of the National Board Plan. A listing of eligible and ineligible cost items can be found in the insert on the following page.

In interviews conducted with members of the board, there was a consensus that the decisions made over these waiver request items were often quite agonizing. However, board members were generally in agreement about two things. First, they felt that they could not allow expenditures that did not directly pertain to the provisions of food or shelter, as required in the legislation. Second, they agreed that those expenditures that made it difficult to provide the greatest amount of services to the greatest number of people should be limited as well.

Requests to use funds for paying clients' utility bills, to provide more than one month's rent or mortgage assistance, to undertake major shelter rehabilitation, or to purchase major capital equipment were included in the latter category. Energy assistance and shelter rehabilitation, particularly, were termed a "bottomless pit" by many board members. These kinds of expenditures, they felt, could easily soak up all available funds, severely limiting the number of persons who also could benefit from this program. Using funds to pay for medications, taxes, or relocation assistance were considered to be in the former category—as being not strictly food or shelter assistance. They refused requests to use funds for security deposits because a client can recoup these monies after leaving a rental unit.

**ELIGIBLE AND INELIGIBLE COST ITEMS
EMERGENCY FOOD AND SHELTER PROGRAM***

Eligible program costs include, but are not limited to:

- a. purchase of food and/or transportation expenses for mass feeding;
- b. purchase of supplies incidental to feeding (e.g., utensils, pots, pans, blenders, and other small equipment costing less than \$300);
- c. leasing of capital equipment (i.e., over \$300 in cost) associated with mass feedings or shelters (e.g., stoves, freezers, vans, etc.);
- d. direct expenses associated with mass shelter (e.g., rent, cots, blankets and other supplies, contracted services for cleaning, pest control, etc.);
- e. emergency lodging or shelter costs (e.g., hotel or motel expenses, only if the local recipient organization provides emergency shelter by using a voucher system);
- f. once-only, limited, emergency rent or mortgage assistance (one-month maximum) to avoid immediate eviction when no other resources or assistance exists; and
- g. repairs or renovations to shelters, not to exceed \$500 per shelter providing that such repairs/renovations are necessary to make the shelter safe, secure, and sanitary. The intent is to allow for only minor repairs or alterations.

Eligible administration costs (limited to one percent of total funds received) include, but are not limited to:

- a. audit expenses;
- b. printing and reproduction costs (to advertise/publicize program availability); and
- c. overhead expenses associated with expanded services (e.g., utilities, insurance, or leasing costs).

Ineligible costs include, but are not limited to:

- a. subsidies for rent or mortgage (except as noted in f above), rental security deposits, deposits or payments for individual's utilities, repairs to individual homes or apartments, cash payments (except for extreme emergencies), and real property and equipment purchases (e.g., land, building, vehicles, or major equipment defined as \$300 or more in cost); and
 - b. indirect administrative costs (e.g., procurement services, communications, equipment/travel, personnel or professional services (salaries, overtime, fringe benefits), budgeting, and payroll preparation.
-

* Taken from the National Board Plan for Phase II.

The board was generally more flexible with respect to the other waiver request items listed in Table II-3. They approved most requests for the purchase of supplies as long as they directly pertained to the provision of food and shelter services. They were willing to waive deadlines when there were mitigating circumstances, and they allowed the use of National Board funds by public agencies when there were no private service providers in a jurisdiction.

In those cases where waiver requests were denied, the board strongly encouraged providers to "leverage" their funds from other sources. In other words, if the providers required capital equipment they should divert their National Board Program funds to food and shelter, using their monies from other sources to buy the equipment. Or they could use National Board funds to lease capital equipment on a lease/purchase agreement and use other funds to pay off on what remained to purchase the item. Where the first month's rent and a security deposit were required to secure someone a home or apartment, the board encouraged the use of National Board funds to pay the first month's rent and the use of funds from other sources to pay for the deposit. Where there were utility bills to be paid, the board encouraged persons to investigate low-income energy assistance programs that may be available.

Administration and Administrative Costs

The legislation for the Emergency Food and Shelter Program allowed no more than 2 percent of the appropriation to be used for administrative costs. Under Phase I the United Way of America waived administrative costs and the National Board encouraged the direct service providers to do the same. In all, \$483,000 was charged to the program in administrative costs

at the local level, or approximately one percent of the total appropriation. (This does not, however, represent all that may have been spent on administration.) For Phase II the National Day of America did not raise their administrative costs as they exceeded more than \$100,000 in costs under Phase I and felt they could not do so again. They claimed half of the 2 percent allowed in the legislation for their administrative expenses and for an evaluation of the program (.5 percent for each). National administrative costs for Phase II are \$211,000 locally and \$400,000 nationally (including the evaluation), or 1.6 percent of the total appropriation.

National Day of America staff and National Board members that were interviewed were in general agreement that one percent was sufficient for costs incurred at the national level. There was some disagreement as to whether more should be allowed at the local level, and to what extent more should be allowed. Board member Ernie Miller stated that his organization, the Exhibition Society, has a standard assessment of 10 percent for administrative costs. He felt 5 percent would be a minimum. Earl Rightmire also felt that 5 percent would be the minimum necessary to allow smaller providers, that may not have outside funds to leverage, to participate in the program. Bob Duggan suggested that either administrative costs should be increased to 4 percent or currently ineligible cost items (e.g., related personnel cost, such as night security people) should be allowed as necessary operating costs, in order to permit local agencies more flexibility.

Other board members were equally adamant that administrative costs not be increased. Mark Tallman felt that it had not been proven that

providers could not function on the one percent allowed and was concerned that the program not be turned into one overburdened by administration. Dennis Kwiatkowski felt that as this was an emergency program representing a public/private partnership, providing a greater share for administrative costs would go against the basic concept of the program.

Of the others interviewed, Mary Cooper and Brother Berg were also concerned that administrative costs might not be high enough for the local level but did not speculate on how high they should be. Lisle Carter suggested 3 percent. Karen Kaefer felt that the current amount may be sufficient for an ongoing program, but in those areas where it was necessary to initiate programs, it most certainly was not.

The issues of allowable administrative costs and its counterpart, allowable operating costs, were the major source of disagreement among members of the board. They were the focus of criticism by many providers, as well. Those private voluntary organizations providing shelter, in particular, felt that their utility costs alone exceeded the one percent allowed. They argued that either administrative costs be increased or utilities and related personnel costs be allowed as eligible operating expenses.

Members of the National Board absorbed certain administrative costs in their own offices, as well. Many of them spent considerable time with telephone calls and correspondence to their constituent groups. This was less true of the Salvation Army and Red Cross, that had regional and field offices through which information could flow. None of the National Board members—except the United Way of America⁷—had any estimates of what was

⁷The United Way of America has also commissioned an internal evaluation to look at the impact of the EFSP on their agency, focusing on the direct and indirect costs of the program. At this writing, the results are not as yet available.

spent in terms of staff and nonstaff costs but all felt that whatever the cost, it was well worth the effort. Most also felt that Phase II was much less hectic than Phase I with much less demand on their time and resources now that the program is in place.

Finally, FEMA absorbed considerable costs. Nor were they allowed any funds by the legislation to compensate for activities undertaken for either the State Program or the National Board Program. As well as the time spent by Karen Kaefter and Dennis Kwiatkowski, FEMA absorbed a large portion of the mailing costs of the National Board Program. FEMA also absorbed costs for the State Program, which will be discussed in a later section. Kaefter and Kwiatkowski claimed that their other FEMA disaster work suffered greatly because of the Emergency Food and Shelter Program. Kwiatkowski claimed that in order to participate more fully in the National Board Program, FEMA would require 8 to 13 more staff years. This would not only include the activities undertaken by FEMA staff in the past, but also activities related to the greater accountability that would be required and the more thorough program development that would be needed if the National Board Program continues to be reauthorized.⁸

Services Provided

Great detail on the services provided by this program cannot be presented at this level of the analysis. However, the United Way has compiled some aggregate statistics. According to their data, \$.66 per capita was spent on meals and \$2.44 per capita was spent on lodging during

⁸Eight new positions at FEMA with responsibilities to the Emergency Food and Shelter Program were approved by the full Appropriations Committee on March 6, 1984.

Phase I of the program. For Phase II the estimates are \$.76 and \$2.32, respectively. The percentage of total dollars spent on meals was 67.1 percent in Phase I and 64.2 percent in Phase II. The percentage of total dollars spent for shelter were 32.9 percent and 35.8 percent, respectively. In all, this translated to 51 million meals and 6.8 million nights of shelter provided in Phase I, and 33.8 million meals and 6.2 million nights of shelter provided in Phase II.

Table II-4 also gives a breakdown on how Phase I and Phase II monies were distributed among different kinds of service agencies. In both phases approximately 45 percent of funds went to those agencies serving on the National Board, with the largest proportion going to the Salvation Army. This is not surprising given that those agencies on the board represent some of the largest providers of food and shelter services. However, many local grassroot organizations were funded as well, including family service, veterans, and senior citizens agencies. Minority and women's organizations and labor and community action agencies are also represented. Those organizations listed as food banks, pantries, and kitchens received the largest allocation of money among these smaller organizations, with St. Vincent DePaul and community centers coming in second.

Staff and members of the National Board were unanimous in their praise of the quick response of the Local Boards and direct service providers. On the whole, they were very swift in meeting deadlines and providing services in tune with the emergency nature of the program. Many of the Local Boards complained about the very short turnaround time they were given from the announcement of the award to the development of a distribution plan

TABLE II-4

SERVICE PROVIDERS--NATIONAL BOARD PROGRAM

	Phase I (Base Grant \$50 Million)		Phase II (Base Grant \$40 Million)	
	Dollars	Percent	Dollars	Percent
Red Cross	3,778,328	7.4	2,489,201	6.2
Salvation Army	9,729,984	19.2	6,536,110	16.3
Catholic Charities	4,344,149	8.6	3,596,003	8.9
Local Churches/Minis- terial Associations	4,115,103	8.1	4,681,110	11.6
United Way of America*	796,137	1.6	629,722	1.6
Jewish Federation and Jewish Agencies	567,575	1.1	384,633	1.0
Food Banks Pantries, Kitchens	6,084,439	12.0	4,263,861	10.6
Community Action Agencies	2,593,783	5.1	2,817,585	7.0
Labor Organizations	525,846	1.0	296,002	.7
Hot Lines/I&R s	373,800	.7	206,568	.5
Traveler's Aid Society	421,882	.8	271,292	.7
St. Vincent De Paul Society	1,036,270	2.0	617,186	1.5
Veterans Organizations	41,289	.1	49,610	.1
Minority Organizations	965,190	1.9	657,777	1.6
Senior citizens	560,925	1.1	471,673	1.2
Family Service Agencies	357,725	.7	738,416	1.8
Community Centers, Settlement and Neighborhood House	745,754	1.5	2,804,702	7.0
Government Agencies	--		136,835	.3
Domestic Violence/ Women s Organizations	440,973	.9	857,583	2.2
YMCA s & YMCA's	472,676	.9	581,446	1.4
Miscellaneous	<u>12,820,119</u>	<u>25.3</u>	<u>7,113,172</u>	<u>17.7</u>
Total Allocation	\$50,771,947		\$40,245,487	

Source: United Way of America

* Local United Way costs were primarily incurred in their capacity as fiscal agent for smaller PVOs or as administrator for the Local Board (doing advertising, mailing, etc.).

(approximately two weeks). However, in most cases they did follow through. Staff and National Board members also were pleased with a somewhat unexpected, but welcome, residual benefit of the program--the formation of networks among private voluntary organizations and between these organizations and public agencies and officials--that may have a positive long-run impact in terms of meeting the service needs of many communities.

When asked whether it was their feeling that funds were used to supplement ongoing services, as was specified by the legislation, rather than to supplant potential funding from other sources, National Board members and staff were in agreement that the funds allowed agencies to service more people. While they all agreed that they cannot "prove" this, their observations and conversations with those in the field suggested that eligible persons who might otherwise have been turned away were served as a result of this program.

Several of those interviewed also pointed out that in some areas funds were used to initiate programs where none had existed previously. This happened particularly in rural areas. They also felt that this program produced a "multiplier effect." Some organizations were inspired to raise more funds in order to continue activities begun under the auspices of the Emergency Food and Shelter Program. Further, National Board members perceive a very positive community response to this program and believe that the program has heightened awareness of the needs of the hungry and homeless.

Recommended Changes

All National Board members and staff were asked to give their recommendations as to what changes they would like to see that would improve the program in later iterations. Not surprisingly, the issue of administrative and operating costs came up several times. Some of those interviewed recommended increasing administrative costs, while others tended to emphasize making certain items--such as utilities and certain personnel costs--allowable operating expenses. Those that suggested the latter recommended imposing expenditure "caps" on these items so that costs will not get out of hand. Another recommendation was to allow some provision in the requirements for "special cases," such as programs in rural areas that had greater difficulty obtaining outside funds. Another alternative suggested was to have different eligible costs for providers of food as opposed to providers of shelter. In establishing caps for shelter rehabilitation, it was suggested that the caps should be based on the number of beds in a shelter, thus allowing more for larger shelters.

A few of those interviewed were in favor of allowing Local Boards greater flexibility in determining eligible or ineligible cost items--making judgments on a case-by-case basis--perhaps within a certain set of parameters specified by the National Board. There were also recommendations that the Local Board assume more responsibility with respect to reporting and audit requirements, thus taking some of the burden off the United Way of America. A few of those interviewed felt that reporting and audit requirements could be streamlined as well.

Another important recommendation proposed by many of those interviewed was that the timeline for the program be made more certain and more

flexible. They felt that Local Boards and direct service providers were limited in their ability to plan ahead because of the lack of certainty as to when funds would be available, coupled with having to deal with legislative mandates to spend the monies as quickly as possible once they did become available. Further, it was suggested that the program would be more effective if there was greater coordination with other important federal programs, particularly the Low-Income Home Energy Assistance Program.

Finally, it is important to note that many of those interviewed felt that the two-track system that existed under Phase I should be continued. The existence of a State Program made many National Board members more comfortable with their allocation formula, since they knew that the states had funds to cover any gaps that might exist. In other words, if there were pockets of poverty that were not picked up using unemployment rates, a state could divert its funds to these areas.

In this regard Dennis Kwiatkowski has proposed establishing State Boards that serve as an intermediary level between the National Board and Local Boards. These State Boards could make recommendations to the National Board, based on their knowledge of the region, as to what areas are in greatest need. State Boards could also assume some of the responsibility for hearing appeals and conducting audits.

Institutionalization

All of those interviewed were asked their view on the problems and consequences of institutionalizing this program (i.e., establishing it as a permanent government program). Most agreed that the program would necessarily become more bureaucratic. Regulations would have to be drawn

as well as the case for other government programs. Research requirements would have to be designed around the availability for time or amount of funds would increase as the program became more flexible or more people. However, not all these respondents felt the same about the responsiveness of general emergency. Some felt that the nature nature of the program would be changed while others felt that a change—though inevitable—could not necessarily have a revolutionary impact.

Nevertheless, most respondents were quick to point out that, at least, the Emergency Heat and Fuel Program was a "good one" simply that could not—and should not—replace programs in deal with extreme poverty. Such comment was important that there would be a tendency to see this program as minor considerations about the problems of the year without really dealing with the fundamental issues of hunger and homelessness.

All were agreed that whatever form the program may take in the future, the public/private partnership that it involves must be maintained. They felt that one of the greatest strengths of the program is this partnership, and that this partnership has tremendous potential for future efforts in providing services to the poor.

This concludes the review of the National Heat Program from the perspective of National Board members and staff. The next section will review the State Program from the perspective of state agency program administrators. This will be followed by a section that draws together what we know about both programs from this stage of the analysis and that makes suggestions for future research.

III. THE STATE PROGRAM

This review will look at the State Program on the national, regional, and state levels. Most of the decision making occurred on the state level. However, interviews were conducted with those in the national and regional FEMA offices to get a sense of their impressions of the program. After a brief review of their comments, a discussion of surveys conducted with state agencies will be presented.

The National/Regional Level

Dennis Kristkowski, who chaired the National Board, also had responsibilities to the State Program. Rich Robuck of the National FEMA office was the staff person in charge of the State Program, although he also devoted some time to the National Board Program. FEMA regional staff were involved in monitoring and providing technical assistance to the states. In addition to interviewing Kristkowski and Robuck, we conducted brief telephone interviews with the following regional FEMA staff: Brendon Beiley (Boston), Jim Begansky (San Francisco), Cheryl Chrisler (Denver), Carol Coleman (Kansas City), Mike Freeman (Philadelphia), Ted Holliday (New York), Jack Ingram (Atlanta), Bill McAda (Texas), Dan Rovoda (Chicago), and Ray Williams (Seattle).

Decision Making and Allocations

During the week of March 25, 1983, a member of the national FEMA office and two members of the regional offices began drawing up the State Program plan for implementing of the Emergency Food and Shelter Program. This plan was later to serve as the basis for the plan agreed to by the National Board. As the National Board made modifications to this plan--

such as allowing one month's rent assistance and providing \$500 in shelter rehabilitation expenses—the state plan was revised to maintain comparability between both programs. These changes were passed on to the states through the regional offices.

However, there was one difference between the National Board Program and State Program plans that remained throughout the program. The National Board required much more in the way of reporting requirements, including requests to itemize the number of meals served and nights of lodging provided. While attempts were made to encourage the states to report these data, many states were reluctant to do so once they had their programs in operation. As a result, comparing these two programs is quite difficult since we have little consistent data on State Program activities. This will be discussed further in the next section.

During these first weeks, regional FEMA representatives spent considerable time pushing through the required paperwork in the state governors' offices in their region. By April 8 the first award was sent and by April 22 the last one was sent out. As stated earlier, the allocation formula used—the Community Services Block Grant formula—was specified in the legislation, so little time was spent on the allocation process on the national level.

Complaints

The national FEMA office received relatively few complaints, requests for waivers, or clarifications, as most of these went to the regional offices. Most of the regional staff reported the same kinds of complaints as were found with the National Board Program. They cited the short time frame that was given states for dispensing funds as a major problem.

Several states also complained that the timing of the grant was inappropriate since the time of greatest need was usually in the winter.

The two largest categories of complaints centered on the guidelines and the audit. With respect to the guidelines, regional staff reported innumerable telephone calls asking for clarification on eligible and ineligible cost items. Several states also felt that limitations on shelter renovations were much too restrictive. Further, there was a concern that the guidelines were too broad. Rich Robuck pointed out that many states were afraid that if they used the latitude provided by the guidelines, federal auditors would come through months or years later, disallow certain expenditures, and require that funds be returned. So by and large it was felt that states seemed to want more guidance than FEMA had provided.

Regarding the audit, regional FEMA staff received many complaints that the requirement for a separate audit for this program contradicted other federal requirements. Specifically, a circular provided by the Office of Management and Budget (OMB) states that federal programs only need be audited in a state every two years. As a result, many states balked at providing a separate audit for the Emergency Food and Shelter Program and some states outright refused to do so.

Administrative Costs

Rich Robuck estimated that approximately 3,600 manhours were consumed in regional offices for this program, plus most of his time for the year. Other professional staff contributed time as well, especially when the program was starting up. Dennis Kwiatkowski, who had estimated that 8 to 13 staff years would be needed in the FEMA office to handle the National

Board Program, added that as much as 18 staff years would be necessary if both programs were funded. As stated earlier, FEMA absorbed all the costs incurred for this program, with several of those interviewed stating that this program cut into their other work assignments.

Services Provided

All of those interviewed felt that the states understood quite clearly that the purpose of the program was to supplement ongoing activities. They had little reason to suspect that states used these monies to fund programs that would have been funded anyway. More information on the actual services provided in the states will be discussed shortly.

Recommended Changes

Some of the changes recommended by those interviewed at the national and regional levels with respect to the State Program are similar to those recommended with respect to the National Board Program. It was felt that the timeline for the program should be longer and more flexible, thus allowing the states to make better plans and to use funds at the most critical times (i.e., winter). It was also felt that FEMA should be allocated more staff and some provision to cover administrative costs as it could not continue to absorb the necessary expenses.

Given the problem many state agencies had with the guidelines, it is not surprising that many of those interviewed felt they should be clarified. There were also concerns at the national FEMA office that the reporting requirements be increased and that some provision be made for computerizing program data.

Finally, many felt that there should be clarification concerning the audit requirements. It was felt that either the audit requirement should

be made consistent with the OMB circular or that there should be specific legislation mandating a separate audit for this program.

This concludes our discussion of the State Program on the national/regional level. The discussion that follows will present greater detail on the issues discussed here as it focuses on the primary decision-making bodies involved in the State Program—the designated state agencies themselves.

The State Level

This section describes the administration by state agencies of the \$50 million awarded through the Federal Emergency Management Agency (FEMA). As stated earlier, FEMA distributed the \$50 million by April 22, 1983 to 50 states, the District of Columbia, and 5 U.S. Trusts and Territories. California obtained the greatest appropriation (\$4,642,305) and the North Mariana Islands, the least (\$17,705).⁹ The average appropriation was \$892,857. (See Table A-1 in the appendix for the number of states receiving different amounts.) As Table II-2 indicated, almost half of this appropriation went to the Middle Atlantic, South Atlantic, and East North Central regions. The Pacific and West South Central regions received another 20 percent, with the remainder distributed among other states and territories.

Each of the 50 states (plus the District of Columbia and the U.S. Trusts and Territories—hereafter included among the "states" in this report) designated a state agency to administer the funds. The state

⁹These total appropriation figures include the amounts some states set aside for Indian tribes/nations.

agencies either distributed their funds directly to service providers or through intermediary organizations, or did both.

This section is based on two surveys conducted by the Urban Institute during June-July 1984. A questionnaire on factual and technical details of program administration was mailed to the 53 state agencies (50 states plus D.C., Puerto Rico, and the Virgin Islands) for the appropriate state administrators to complete. In addition, state administrators were interviewed by telephone on their opinions of the Emergency Food and Shelter Program. Both questionnaires are provided in the Appendix B.

The findings in this section are based on the responses of the 40 states that returned the written questionnaire on time (3 states sent in responses late) and the telephone interviews with administrators in 53 state agencies. The issues are discussed under the following broad topics: (1) state decision-making and allocations process; (2) services provided and program operations; (3) administrative issues; (4) complaints and disputes; (5) ability to meet program goals; and (6) state administrators' overall comments and recommended changes.

State Decision-making and Allocations Process

Levels Involved. Governors were required to designate a state agency to take responsibility for the program. In the majority of the responding states (73 percent), the social services agency administered the grant. In the remaining states, a variety of state agencies administered the FEMA monies (Table III-1). In five states the legislature had to meet first to determine the allocation of funds. This may explain why the state agency was put in charge somewhat later in one of these five states than was the case for the other states (60 days after FEMA distributed funds).

TABLE III-1
STATE AGENCIES THAT ADMINISTERED FEMA FUNDS
(N = 40 States)

Name of Agency	Number of States	Percent
Social Services	29	72.5
Emergency Services	2	5.0
Community Services	5	12.5
Economic Assistance	2	5.0
Intergovernmental Assistance	2	5.0

Thirty percent of the responding states channeled FEMA monies directly to service providers without using any intermediary organizations.¹⁰ However, the majority of the states—68 percent—used intermediary organizations in addition to directly funding service providers. One state used intermediary organizations only, that is, it did not channel any funds directly to service providers (see Chart III-1).

Of the 28 states that used intermediary organizations, almost half (46 percent) used regional multi-county agencies—such as CAP agencies or regional development commissions—and 40 percent used local jurisdictions as intermediaries (Table III-2).

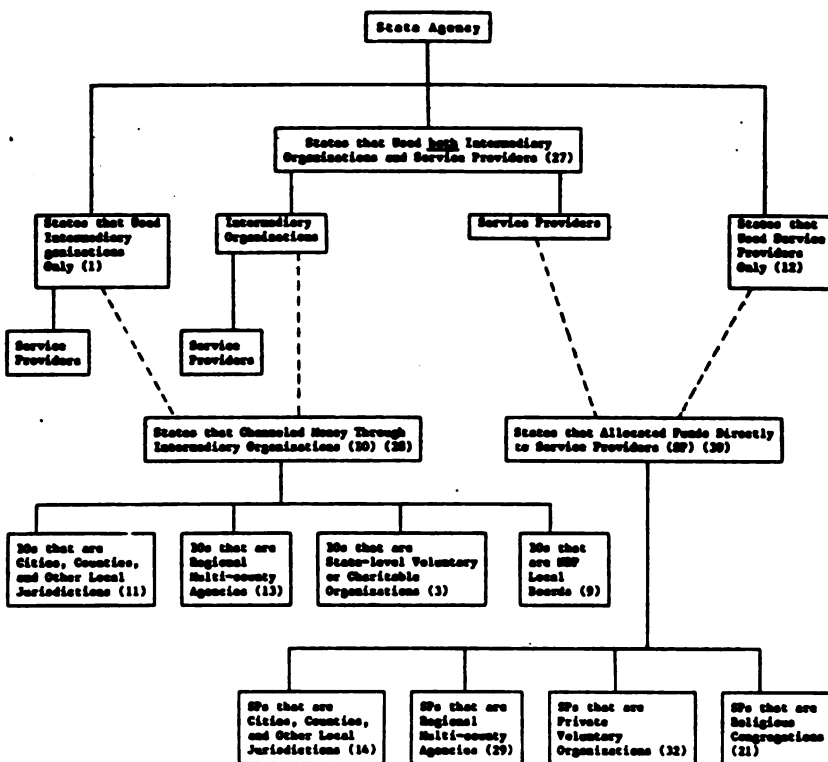
Of the 39 states that dealt directly with direct service providers, 82 percent used private voluntary organizations (such as the local Red Cross, Salvation Army, food kitchens, Catholic Charities) and 74 percent used regional multi-county agencies as providers (Table III-3).

As Table III-4 indicates, most states spread FEMA funds somewhat uniformly between local jurisdictions, regional agencies, and private voluntary organizations, generally in relatively small amounts. Fewer states (ten) gave monies to religious congregations, all in small amounts.

State Plan for Allocating FEMA Funds. Fifty-eight percent of the responding states developed their own plan while the rest adopted the plan provided by FEMA. Fifty-seven percent adopted a state plan within a month of receiving the FEMA funds and 81 percent had adopted it within two months of receiving the money. Two states were slow to adopt a plan (one adopting

¹⁰Service provider organizations are defined as organizations which gave food and/or shelter directly to people in need. Intermediary organizations are defined as decision-making organizations below the state level charged with allocating FEMA money to service providers.

CHART III-1
LEVELS INVOLVED: STATE PROGRAM



Note: Many states used multiple intermediary organizations and/or service providers.

TABLE III-2
 TYPES OF INTERMEDIARY ORGANIZATIONS USED
 (N = 28 States)

Intermediary Organization Type	Number of States	Percent
Cities, counties, other local jurisdictions	11	39.3
Regional, multi-county agencies	13	46.4
State level voluntary or charitable organizations (including state-level CAP agencies)	3	10.7
National Board Program Local Boards	9	32.1

Note: Percentages do not add to 100 because several states used more than one type of intermediary organization.

TABLE III-3
TYPES OF SERVICE PROVIDERS USED
(N = 39 States)

Service Provider Type	Number of States	Percent
Cities, counties, other local jurisdictions	14	35.9
Regional, multi-county agencies	29	74.4
Private voluntary organizations	32	82.1
Religious congregations (churches or synagogues)	21	53.8

Note: Percentages do not add to 100 because several states used more than one service provider type.

TABLE III-4
 PERCENTAGES OF STATE APPROPRIATIONS
 ALLOCATED TO VARIOUS TYPES OF SERVICE PROVIDERS
 (N = 38 States)

Service Provider Type	Percent of Appropriation					Total (%)
	1 - 20 Percent	20 - 40 Percent	40 - 60 Percent	60 - 80 Percent	80 - 100 Percent	
Cities, counties, other local jurisdictions (%)	64	9	12	3	12	100
Regional multi- county agencies	46	14	11	6	23	100
Private voluntary organizations	49	26	6	8	11	100
Religious congregations	97	3	--	--	--	100
Other	94	6	--	--	--	100

it three to four months after receiving the funds and the other adopting it four to five months after). Although many of the 37 states (that responded to the question) left their original plans unchanged, 35 percent made changes and/or additions to the original state allocation plan. Most of the changes involved funding modifications, such as transfers from one agency (or county) to a more needy one. A few involved time extensions for the program or alterations in service delivery (e.g., including rent and mortgage assistance).

States were asked who participated in determining the state allocation plan. In 69 percent of the responding states, the governor's office was involved; in 18 of these states the governor's office had approval/veto power over the plan and in 9 the governor's office actively participated in determining the state allocation plan. The legislature was rarely involved in determining the state plan. Thirty-eight of the 39 states that responded to the question reported state agency participation in developing the plan (see Table III-5).

Regional Allocation of FEMA Funds. Administrators were asked to report the criteria used to determine the allocation of funds to regions, jurisdictions, or localities. Twenty-eight states reported using at least one criterion to determine eligibility for funding. Three states used unemployment numbers as the sole criterion and 21 states reported using two or more of the following types of data in some combination:¹¹

¹¹Of the remaining four states, one used Emergency Assistance Expenditures, one used the CSBG allocation, a third used public assistance statistics, and the fourth used the FEMA formula.

TABLE III-5
 PARTICIPANTS IN DETERMINING THE STATE PLAN^a
 (N = 39 States)

Participants	Active Involvement	Approval/Veto
Governor's Office	9	18
Legislature	1	6
State Agency	36	2
Other ^b	13	2

a. Most states reported more than one participant. Ten states reported that neither the governor's office nor the legislature was involved in determining the state plan.

a. "Other" includes various advisory committees (e.g., governor-appointed EFSP boards), private voluntary organization (e.g., Salvation Army, United Way), advisory state agencies (e.g., Department of Agriculture), counties, and CAP agencies.

- o poverty index;
- o unemployment rate;
- o unemployment numbers;
- o homelessness estimates;
- o public assistance statistics;
- o population and labor force statistics;
- o unemployment insurance terminations.

The most commonly used combination was poverty index and unemployment statistics (ten states). Two states also reported including National Board allocations as a criterion.

Almost half (46 percent) of the 39 responding states had finalized their regional allocation criteria within one month of the FEMA distribution of EFSP funds. And within two months of FEMA distribution, almost three-fourths (74 percent) of the states had finalized their criteria. Four states were slow in finalizing their criteria. (Two states finalized them three to four months after FEMA distribution and two finalized it four to five months after.)

States were asked to identify who participated in developing the criteria for allocating money to specific areas in the state. Fifty-three percent of responding states reported governor's office involvement, with 5 reporting active gubernatorial involvement and 16 reporting that the governor had approval/veto power. Only 13 percent reported legislative involvement and only 18 percent reported involvement by intermediary organizations in criteria determinations. As may be expected, 39 out of the 40 states reported state agency involvement in criteria determination (see Table III-6).

TABLE III-6
 PARTICIPANTS IN DECIDING ALLOCATION CRITERIA^a
 (N = 40 States)

Participants	Active Involvement	Approval/Veto
Governor's Office	5	16
Legislature	0	5
State Agency	38	1
Intermediary Organization	6	1
Other	5	2

a. Most states reported more than one participant. Eighteen states reported that neither the governor's office nor the legislature participated in deciding allocation criteria.

Services Provided and Program Operations

Service Providers. Service providers received FEMA funds from intermediary organizations or directly from state agencies. Of the states that allocated funds directly to service providers, 85 percent had requirements that had to be met by the latter to qualify for funding (see Table III-7). Of the 28 states that channeled money through intermediary organizations, 75 percent reported that their intermediary organizations had some sort of requirements for the service providers, the most commonly used one being conformance with FEMA guidelines.

In 33 of the states, the state agency established reporting requirements for service providers, while in the 7 other states this responsibility was delegated to intermediary organizations. Some states asked only for the minimal data necessary to satisfy FEMA requirements; others asked for the kind of detail found in a state subcontractual arrangement.

A few state administrators felt that their reporting requirements should have been simplified to accommodate the less-sophisticated agencies. Others would have asked for new items such as the number of persons served. Twenty-one percent (seven states) reported problems/disputes relating to state reporting requirements, mostly (in five states) with service providers.

States that received Phase II funds—the \$100,000 allocation from the National Board—were asked if service provider requirements were any different under Phase II; only 2 of the reporting 13 states stated that Phase II differed from Phase I in reporting requirements.

TABLE III-7
 STATE AGENCY REQUIREMENTS OF SERVICE PROVIDERS
 (N = 33 States)

Requirements	Number of States	Percent
Meet certain criteria ^a	21	63.6
Respond to a Request For Proposal	12	36.4
Submit allocation plan	14	42.4
Other ^b	7	21.2

a. These criteria included the nonprofit nature of the agencies, that they directly provided the requisite services and, in some cases, that they were recommended by community leaders or the Local Board.

b. "Other" included contracts, letters of compliance, and the maintenance of agency records.

Note: Percentages do not add up to 100 because several states had more than one requirement.

Types of Services Provided. There has been a definite bias toward spending FEMA funds on food rather than on shelter. The number of additional meals served (from EFSP funds) per state ranged from 3,000 to 3,909,270, the average being 257,242 meals and the median being 70,000 additional meals per state. The 24 states that responded to this question spent an average of 53 percent of their total appropriation on additional meals. Fifty percent of the responding 24 states spent between 40 percent and 80 percent of their total allocation on meals alone, 21 percent of the states spent between 80 percent and 99 percent on meals, and one state spent its entire allocation on meals.

The number of additional nights of lodging provided (from EFSP funds) per state ranged from 1,000 to 500,000, the average being 61,625 and the median being 16,000 nights of lodging per state. The 25 states that answered this question spent an average of 35 percent of their total appropriation on additional nights of lodging. Fifty-two percent of the responding 25 states spent less than 30 percent of their total allocation on shelters, 28 percent spent less than one percent on shelter, and only two states spent their entire allocation on this type of service.

Eighteen out of the 24 states that responded to the question said they had purchased additional cots/blankets/supplies with FEMA funds, spending an average of 7 percent of their total appropriation on these supplies. Thirteen out of 33 states (39 percent) reported spending money on shelter rehabilitation, most (eleven states) spending 10 percent or less of their total appropriation on such rehabilitation. The state generally obtained this information from monthly reports and financial statements sent by intermediary organizations and direct service providers.

Service Recipients. The type of clients served was often a function of the types of agencies providing the service because most agencies used existing agency eligibility guidelines to define client groups. Three principal groups received most EFSP services: the long-term unemployed, the recently unemployed, and transients. The long-term unemployed was the largest beneficiary group (see Table III-8). State administrators generally did not feel needy client groups were excluded from the program. In most states, efforts were made to tailor services to local conditions and to assure that "new" unemployed were included, especially since this group did not always meet regular social service eligibility criteria.

A few state administrators did, however report a bias toward "unemployed" persons that made them ignore the needy "underemployed". Others mentioned the large administrative and operating burdens which, combined with time pressures, made them skip some of the smaller agencies, especially the private ones.

State Staff Hours Used. To provide the services described earlier, 36 states reported using an average of 1,393 professional hours from May 1983 to May 1984, or approximately two-thirds of a full-time position; 25 of them using less than 1,000 professional hours. In addition, these states reported using an average of 357 clerical hours during the previous year, most of them (72 percent) using less than 500 clerical hours.

Relationship to Other Programs. Twenty-six of the states reported some contact with the National Board program (NBP) at the local, state, or national level. Seventeen of these states reported state-level contact with the NBP and 18 of these states reported local-level contact with the

TABLE III-8
LARGEST GROUP RECEIVING EFSP BENEFITS
(N = 37 States)

Group	Number of States Citing Group as the Largest Recipient Category	Percent
Long-term unemployed	21	56.8
Recently unemployed	9	24.3
Transients	5	13.5
Deinstitutionalized patients	1	2.7
Low-income senior citizens	1	2.7

NBP.¹² Eight of the 26 states also reported that their allocation of funds to intermediary organizations or direct service providers depended on what the latter had received from the National Board Program. Ten states reported additional dealings with the NBP in matters other than funding--for instance, NBP participants advising the state on funding and coordination issues. (See section on integrating public and private efforts for details.) Twenty-four of the states worked with other federal assistance programs in the EFSP efforts, 17 states with surplus food agencies, and 10 with fuel assistance agencies.

Administrative Issues

Administrative Costs. Fifty-eight percent of states reported that their administrative costs exceeded the one percent allocated for this purpose. Eighteen of these 23 states reported exceeding the one percent ceiling by over 50 percent. The majority reported large overruns, reaching as high as 100 percent (for three states). Almost all state administrators considered the one percent ceiling to be quite inadequate.

State agencies had to absorb excess costs for salaries, reproduction, travel, advertising, printing, etc. Of the 23 states, 8 reported that 50 percent or over of the additional expenditures were for start-up or initial program expenses and 10 reported that 50 percent or over went for ongoing or program operating expenses.¹³

The remaining one percent designated for administrative costs incurred by local service providers was also considered inadequate. In fact, 9 of

¹²Many states had contact with NBP on multiple levels.

¹³The other five did not provide adequate information on this question.

the 14 states reporting problems/disputes concerning "allowed" costs cited problems at the service provider level. When local public agencies were involved, the excess or ineligible costs were frequently covered by Community Services Block Grant funds.

State administrators felt that private providers were the most burdened by the cost ceilings, having less institutional capacity to absorb them. In fact, some of the smaller agencies, church organizations in particular, were forced to reject EFSP funds because of prohibitive administrative costs. On the other hand, some administrators felt they also had fewer established procedures to follow, lessening the administrative burden. Suggestions for an overall adequate administrative allowance ranged from 3 to 10 percent. Alternatively, it was suggested that a fixed amount be established since percentages of very small or very large awards generally did not produce administrative allowances commensurate with the tasks involved.

Other than the administrative cost ceiling, most state administrators were generally comfortable with definitions of "allowable" program costs and were able to use funds from other sources for items not allowed. However, several persons expressed concern over the items considered "incidental" to mass feeding. For instance, some equipment (other than pots or pans) used for mass food preparation or food storage was not considered eligible although it would have enabled more efficient purchase and preparation. Freezers are a good example of needed equipment that was not eligible. Similarly, salaries for mass meal providers (cooks) was suggested as a legitimate cost that should have been eligible for program funds, as well as salaries for the case workers who help clients over the periods of crisis (e.g., by helping them find other resources).

FEMA Guidelines. When the program first began, most state administrators were in frequent contact with their regional FEMA office for guideline clarification. Questions related to "eligible" program costs and the definition of terms such as "obligated" and "incidental." Most said they found the FEMA regional offices to be extremely helpful, quick, and accessible. There were a few states who found their regional office to be less than helpful in guideline clarification; one state even began contacting the federal office, bypassing their regional office.

Administrators were pleased with the flexibility of the guidelines but thought some detail could have been added to clarify definitions without losing much flexibility. The ability to apply existing agency eligibility criteria was mentioned by many as a positive approach.

Guideline modifications made by FEMA to provide comparability to the National Board Program, especially that allowing one month's rent/mortgage assistance, were considered a problem in some states. The changes were troublesome in that communicating the new guidelines to the field agencies required staff administration time. A more serious concern was that by the time the modification was made, some agencies had already committed their money to a second-best choice and could not rechannel their funds, although the modifications may have made their first choice eligible.

Other states did not feel the modifications caused them any real administrative problems, but would have preferred to have them before money was spent. Both groups approved of the modifications that were made and felt they were needed.

FEMA Reporting Requirements. Overall, most administrators were satisfied with the level of reporting required by FEMA. Requirements were

considered minimal relative to those of other programs, but appropriately so—given the emergency nature of the program, the diversity of services provided, and the lack of sophistication characterizing some providers in rural areas. A few thought that FEMA should have requested more information and several states collected data beyond what FEMA required.

Audit Requirement. The cost of the audit, its lack of congruence with the regular agency audit, and its inclusion of agencies receiving small grant amounts were the major problems encountered by state administrators in complying with audit requirements. The one percent allowance to cover the audit costs was rarely enough for actual expenses. As the number of providers increased, the cost of the audit increased, unless (as at least one state did) only a sample was audited.

Many states routinely perform an annual OMI-required agency audit covering all programs. FEMA requirements for a separate program audit, due at a different time period (45 days after funds were expended), made the EFSP program quite expensive in these states. Some states asked for a waiver and requested the regular state audit be accepted instead of a special audit.

The inclusion of all providers in the audit caused problems for some states. Smaller agencies unaccustomed to keeping records were sometimes unable to produce documentation of expenditures. For agencies with small grants, the one percent audit cost allowance rarely covered the professional costs (e.g., one agency was allowed \$11.40 to audit its program). Not all state administrators thought the audit burdensome: states using a small number of providers or exclusively public providers were among this group.

These complaints notwithstanding, 58 percent of the responding states completed the audit on or before the required March 31, 1984 date. An additional 18 percent complied within two months. Twenty-four percent still had not completed the scheduled audits. The punctual states generally had no legislative involvement.

Complaints and Disputes

Fifty-nine percent of the responding states reported disputes, generally under 25 in number (12 states) and generally in the form of complaints (7 states). States handled most of these informally. The problem area most often mentioned was eligible/ineligible cost items, especially at the service provider level (see Table III-9). In fact, most of the various types of disputes occurred at the service provider level with the exception of funding level disputes, half of which occurred at the county level.

As may be expected, a greater percentage (14 percent) of states that reported disputes channeled funds through both intermediary organizations and also gave money directly to service providers, in comparison to states that did not report any disputes/problems. In addition, most of the states not reporting disputes did not have legislative involvement in the allocation process.

Ability to Meet Program Goals

State administrators were asked about the extent to which the program, as set up, could fulfill the goals envisioned by the legislation. In addition to the primary goal of providing food and shelter to the indigent and homeless, the EFSP program was to: (1) serve emergency needs, (2) supplement ongoing efforts (rather than supplant the activities of

TABLE III-9
 PROBLEMS/DISPUTE TYPE^a
 (N = 34 States)

Dispute Type	Number of States	Percent
Eligible/ineligible cost items	14	41.2
Time allowed for expending funds	9	26.5
Audit requirements	9	26.5
Reporting requirements	7	20.6
Funding level (including none)	6	17.6
Alleged fraud	2	5.9
Other ^b	8	23.5

a. Twelve states reported no problems or disputes.

b. "Other" includes complaints about inadequate administrative funding.

Note: Percentages do not add to 100 as many states reported multiple problem areas.

existing agencies), and (3) help integrate public and private efforts in the provision of these services.

The extent to which the primary goal was satisfied has been discussed in the previous section. Since this evaluation does not include interviews with service recipients or knowledgeable community leaders, our assessment of ultimate program effectiveness is necessarily limited. In this section, we examine the other three related goals.

Serving Emergency Needs. The emergency nature of the program required quick action at the state, intermediary, and service provider levels. Eighty percent (31) of the responding states had empowered a state agency to administer EFSP funds within ten days of FEMA distribution of funds.¹⁴ Fifty-seven percent (21) of the states adopted a state plan within a month of the FEMA distribution. Forty-six percent (18) had finalized their regional allocation criteria within a month of FEMA distribution. At this point, several postponements occurred: ten states had to go through a request for proposal (RFP) process, five states had to write program regulations before they could disburse money, five states needed state legislative authorization, and three states waited to coordinate state funding with the National Board Program. (They wanted to use the State Program to cover needy areas that the National Board's unemployment criterion missed.) A total of 17 states (47 percent) reported postponing the allocation of funds for one or the other of the above reasons.

Although 60 percent of the states had not disbursed any funds by July 30, 1983 and only three states had disbursed their entire allocation,

¹⁴In only three states was the state agency given this responsibility more than 30 days after FEMA distribution.



the situation improved by September 30, 1983. By this later date, 50 percent had disbursed all their funds and 68 percent had disbursed 90 percent or more of their appropriation. Moreover, all but seven states had disbursed or encumbered (obligated) all their funds by this September 30, 1983 date. Only six states reported having any unallocated EFSP funds. One of the six failed to allocate more than 4 percent of the total state appropriation. State-level processes were generally lengthened when intermediary organizations or state legislatures became involved.

The service providers actually received the funds somewhere between May 15, 1983 and November 15, 1983—on average, around August 1, 1983. Fifty-six percent of the states reported that their service providers received program funds within three months of FEMA's allocation to the states. But this figure is based on only 18 states since 22 states did not answer this question.¹⁵

Given short turnaround times, state administrators felt that the intermediaries and providers were generally very responsive in meeting established deadlines. However, concern was expressed in many states that the program was not launched at the time it was most needed (i.e., in the winter when the most severe emergency food and shelter needs occur). By the time the deadline was changed to allow encumbering rather than spending of funds by September 30th, many states no longer had funds available for fall or winter services because the money had already been spent or committed.

¹⁵This may have occurred because some states used a "reimbursement method" of allocating funds, in which the service providers had the authority to expend EFSP funds well before they actually received the money.

Supplementing Ongoing Efforts. Most states had existing public and private provider agencies capable of administering the EFSP as a supplement to services already being provided. However, rural areas were most likely to lack this capacity. Administrators in states that include large rural areas expressed concern that the EFSP appeared to be based on an urban model, that is primarily designed to supplement mass shelter facilities and congregate feeding sites--approaches not necessarily appropriate in rural settings.

A variety of approaches were taken where existing providers were not available such as expanding service boundaries, designating church groups as providers, and, in a few cases, initiating new programs. New program starts occurred with the understanding that the services would continue with other funds. In general, programs did not begin solely for EFSP purposes.

State administrators felt that public agencies were more capable of handling the EFSP as a supplement than were private organizations, generally because they had more public resources they could marshal in the effort. Respondents emphasized that this was possible for the public agencies only because of the short-term, one-time nature of the program. The impaired effectiveness of other programs as a result of EFSP drain on staff time was mentioned. Many administrators felt that private organizations lacked this excess capacity even for a short-term program.

Integrating Public and Private Efforts. Many, but not all, states utilized private voluntary groups to provide EFSP services. From the view of state administrators, the result of this combined effort was overwhelmingly positive. It was not unusual for the same state or local

level advisory board to serve both the state and the National Board Programs. Public and private efforts were often coordinated in determining the regional allocation of state funds. States often considered the flow of money from the National Board in making their allocation decisions or they requested input from private organizations on allocation issues.

In states where only public agencies were involved in service provision, cooperation with the private sector generally occurred at the advisory level. Most boards established to oversee the program had several representatives from the private sector.

A minority of states reported no increased interaction with the private sector and some felt that the private sector did not cooperate in coordinating the allocation of funds. Other administrators explained that their exclusive use of public agencies was due to the limited time the program allowed for planning. Relying on the existing network was more expedient than instituting new arrangements. However, given more time, they would like private sector involvement.

State Administrators' Overall Comments and Recommended Changes

Continuing Emergency Needs. Despite the upturn in the economy, the need for emergency food and shelter continues in most states. Some states depend on industries that have not recovered, others suffer from large influxes of transients. Many see the program as just a dent in a continuing need for food and shelter.

A minority of administrators felt they had met the emergency situation. They did not see a pressing need beyond what the state could provide, unless the economic situation became worse.

Suggested EFSP Changes. As may be expected, the changes suggested for any future EFSP mirror the areas where problems were encountered. Changes suggested repeatedly are listed below.

- o Administrative costs. A larger percent or more generous fixed amount should be allowed to cover real costs incurred by the state, local administrators, and providers.
- o The audit requirement should be more flexible. States should be allowed to complete it as part of their established audit process and also to establish a minimum grant amount below which a service provider agency audit is not required.
- o Allowable costs. Guidelines should be more flexible in permitting local discretion subject to FEMA approval. Equipment allowances should be broader and salaries should be paid by the program for persons directly involved in providing the service. (for instance, cooks).
- o Timing issues. Emergency food and shelter needs are greater in the winter and the program should address such needs. In addition, more time should be allowed to plan for the program. This would allow development of improved criteria for targeting the needy, higher participation of private organizations, and more efficient purchasing of services.
- o Terms should be clarified, and a more clearly defined list of allowable costs should be included in the guidelines.

Possible Future Programs. Administrators were asked two related questions regarding the administration of any possible future emergency programs like the EFSP. They were asked if they (their agency) could

handle a repeat of the 1983 program, and also to comment on the National Board Program model at the state level—did they think money could be allocated more efficiently or rapidly using the private sector model than going through state channels?

A minority of administrators agreed that the National Board model was more efficient and rapid, citing their freedom from many of the bureaucratic requirements placed on the states and their expert knowledge of needs in the community. These states were often the ones having greater difficulty absorbing the costs of the EFSP. These states were less willing to take on a similar program unless administrative allowances were made.

However, by far the opinion of most administrators was that state channels were preferable and that they would gladly take on another program. In comparing the two allocation methods, not all agreed that the National Board model was more rapid or efficient. Some states had their funds allocated before the National Board did or distributed state funds to compensate for National Board allocations that neglected areas of great need.

A common criticism of the National Board model was that it was inequitable. Reliance on the unemployment statistics often excluded areas with severe problems and funneled money to less needy areas. The states were considered better able to handle the administrative requirements of this program, including developing more accurate allocation criteria. They were also deemed more accountable. Having once been through the program, administrators felt a second program would run more smoothly.

It should be noted here that administrators were not antagonistic to the National Board Program. In some cases they worked closely together.

In one case the National Board model was used and highly recommended by the states. There was some feeling that one model should be used countrywide to prevent unnecessary duplication of effort and extensive coordination needs.

IV. SUMMARY AND QUESTIONS FOR FUTURE REPORTS

Summary

In March of 1983 Congress appropriated \$100 million to establish an Emergency Food and Shelter Program, half of which was allocated by the National Board Program and half of which was allocated by the 50 states, the District of Columbia, and 5 U.S. Trusts and Territories. Impressed by the speed with which the National Board distributed its funding, Congress appropriated—in November of 1983—another \$40 million for the EFSP to be disbursed by this board. Although most states had adopted a state plan and finalized their criteria soon after FEMA distributed EFSP funds, many had experienced various postponements—the most common being the wait for the recipient RFP process to be completed—that made it difficult for them to move as rapidly as the National Board. However, by September 30, 1983 all but seven states surveyed by the Urban Institute had disbursed or encumbered all their funds.

Most of the funds disbursed by the National Board were awarded to civil jurisdictions based on the numbers and percentages of unemployed in that jurisdiction. A Local Board was convened in qualifying jurisdictions which decided the final distribution of funds among direct service providers. There was some variability in how funds were disbursed by different states under the State Program. Each state designated a state agency to administer these EFSP funds. Most of the states (68 percent) channeled the money through intermediary organizations as well as directly funding some service providers. The majority of the states (70 percent) used criteria such as the poverty index, unemployment statistics, and public assistance statistics to determine regional and local allocations.

As would be expected with a program of this magnitude, there were many complaints and disputes.¹⁶ The National Board received many appeals from nonfunded areas. Many members of this board expressed the hope that the State Program would be able to provide funding for those areas that had a legitimate need that was not being met by their (the National Board) program. Both the State Program and National Board Program received complaints regarding eligible and ineligible cost items, with providers complaining that many operating expenses were unjustifiably excluded from the list of eligible items. Many providers also wanted to provide certain services that were excluded. Another major criticism expressed with respect to both programs involved the short time frame provided to get funds to those in need.

The audit requirement was particularly problematic for the states, given its inconsistency with other federal audit requirements. Most state administrators felt satisfied with the guidelines and reporting requirements, although they wanted more clarification with respect to the former. Nevertheless, those interviewed on the national level were of the opinion that greater accountability would be necessary for the State Program should it be refunded.

The main concern of those interviewed with respect to the National Board program was that these audit and reporting requirements be streamlined and that more responsibility be passed on to the Local Boards for overseeing them. In Phase II of the program the National Board provided greater clarity in their guidelines, although there was still some

¹⁶Although many of those interviewed on the national level felt there were far fewer complaints than originally expected.

concern that further "fine tuning" might be needed. How those on the Local Board or provider level felt about these requirements will be explored in another report.

It is interesting to note that very few cases of fraud arose with respect to either of these programs. Some feeling was expressed by those interviewed on the national level; however, that should the program become institutionalized, the opportunities for and probabilities of fraudulent activity would increase.

In both programs a large proportion of administrative cost was absorbed by various public and private agencies. Most state administrators felt that the allowable administrative costs were insufficient for both the state agency and the service providers. Those interviewed with respect to the National Board Program felt that the administrative costs incurred on the national level could be covered within existing limits, but there was disagreement as to whether there was a sufficient allowance for service providers. Particular concern was expressed—by those surveyed with respect to either program—about the problems of rural food and shelter programs, as many of these did not have outside funds available to offset administrative expenses. In fact, rural areas often had to begin new programs to provide EFSP services.

Both the National Board Program and the State Program expended most of their funds for the provision of food as opposed to shelter. For the National Board Program, from 60 to 65 percent of total funds were spent for food. Seventy percent of those states responding to the Urban Institute surveys spent from 40 to 100 percent of their allocation on meals. Most of those interviewed on the national, regional, or state levels were confident

that funds were used to supplement rather than supplant existing programs, or to initiate new programs where none existed and the need was great.

Many of the changes recommended by those interviewed on the national, regional, or state level were similar. Those interviewed for either program recommended changes in the list of eligible and ineligible cost items. Although there was not complete agreement as to what changes would be appropriate, the responses do suggest that it may be worthwhile to explore various options for providing greater flexibility to service providers with respect to these cost items. Another recommendation common to most of those interviewed concerned the timeline for the EFSP. There was a consensus that should the program be funded in the future, Congress should allow for a longer or a more flexible time frame for expending funds.

Also frequently mentioned were recommendations for a greater allowance for administrative costs and a greater flexibility with respect to the audit requirement. With respect to the former, estimates of adequate administrative costs ranged from 3 percent to 10 percent of total funds. With respect to the audit, state administrators were primarily concerned that this requirement be made consistent with other federal requirements, while National Board Program people recommended decentralizing responsibility for this requirement. Among those interviewed on the national level, there were also recommendations that reporting requirements for the State Program be increased and recommendations that the number of reports required for the National Board Program be decreased.

While many state administrators were complementary of the National Board Program, they often felt that the allocation formula used by this

body was not totally appropriate for reaching those areas most in need. Those on the National Board felt that their formula was adequate for meeting the short-term goals of the program but welcomed some kind of two-track system as insurance against the possibility that important areas of need might be missed. It should be noted, however, that those states responding to the Urban Institute's questionnaire listed long-term or recently unemployed persons as the primary beneficiaries of their program-- persons who should be picked up by the BLS unemployment data. Regardless, the speed with which the National Board has acted versus the greater targeting ability that the states have claimed is a tension that runs throughout this analysis. Modifications in the program may provide a partial solution but there are also policy choices involved. Whether the program emphasizes speed or accurate targeting depends upon the goals and needs the program is designed to address.

Despite various criticisms and recommendations, those surveyed were generally very positive about the EFSP. Most interviewees felt the program served an important social need and had many unexpected benefits as well. These included increasing the interaction between public and private sector individuals involved in the social services and increasing community awareness of the problems of those in need. Most of those interviewed felt that the public/private model used was a good and effective one, although there was some concern on the part of those involved in the State Program that many private agencies did not have the resources to carry on the program through successive iterations as the states could. Finally, it should be noted that most of those interviewed referred to the EFSP as a band aid remedy to a much larger social problem that needs to be addressed by the Congress and the nation as a whole.

Questions for Future Reports

This report has examined the responses to the EFSP of those bodies responsible for making the primary allocation decisions for the program: the National Board with responsibilities to the National Board Program, and the states with responsibilities to the State Program. But there were intermediary organizations with respect to the latter and Local Boards with respect to the former that also played decision-making roles. Their perceptions of the EFSP will be investigated in another report, while those of the direct service providers will be the focus of a third report. At this point we briefly summarize the issues relevant to these other participants in EFSP.

National and state officials have already identified many important concerns, as reported in this paper. Clearly, it will be worthwhile to learn what Local Boards, intermediaries, and providers felt about the administrative cost allowance provided in the legislation, given the concern that service providers felt the greatest "pinch" from these restrictions. Problems created by ineligible cost items also need further exploration at the substate and provider levels. The short time frame provided for expending funds was also an important issue coming out of the national/state analysis, the impact of which should be pursued further.

The decision-making process, as it occurred at the substate level, also needs to be examined. Questions as to how decisions were made and what decisions were made will be asked. How Local Boards and intermediary organizations made their allocations is of interest, as well as how providers decided who would get their services.

Greater detail on the kinds of services provided can also be explored at the substate level. We could learn more about how meals were provided (e.g., food kitchens, meals on wheels, etc.), how shelter was provided (e.g., mass shelters, mortgage/rent assistance, etc.), and who were the primary recipients of services (e.g., the unemployed, transients, female-headed households).

An analysis of these factors that can look at variations across regions and types of organizations would be very useful. Therefore, questions identifying differences in the conditions under which these services are provided have been included in surveys of Local Boards, intermediary organizations, and direct service providers.

Finally, the present analysis has only barely touched on one set of issues that can more easily be pursued in the next phases of the study. These are those questions relating to community process. It will be possible to examine the community response to the EFSP and to see what kinds of interactions occurred within communities as a result of this program. The current unmet needs of different communities will also be of interest.

As one can see, this report represents only a first step in the analysis of the Emergency Food and Shelter Program. There are many issues to be explored in greater detail and some new ones that have to be raised when we look at substate activities. This analysis of responses from national and state EFSP officials does suggest, however, that the EFSP has been a well-received and innovative program.

APPENDIX A

TABLES

TABLE A-1

TOTAL STATE APPROPRIATIONS
(N = 53 States)

Amount of Appropriation	Number of States	Percent
Under \$50,000	1	1.9
\$50,001 to \$100,000	0	--
\$100,001 to \$250,000	12	22.6
\$250,001 to \$500,000	7	13.2
\$500,001 to \$1,000,000	17	32.1
\$1,000,001 to \$2,000,000	9	17.0
\$2,000,001 to \$3,000,000	5	9.4
\$3,000,001 to \$4,000,000	0	--
Over \$4,000,000	2	3.8

APPENDIX B
QUESTIONNAIRES

STATE EMERGENCY FOOD AND SHELTER QUESTIONNAIRE

This questionnaire is designed to describe the decision-making process and operation of the Emergency Food and Shelter Program (EFSP) at the state level. Your participation is crucial in this effort. Questions have been included to investigate a range of procedures that may have been used; only a portion will apply to your state. Where exact dates or figures are not known, an estimate is requested.

Background

In March 1983, Congress appropriated \$100 million for an emergency food and shelter program (hereafter called FEMAI). A Senate/House compromise gave half the money (\$50 million) to the Federal Emergency Management Agency (FEMA) to distribute to the states. State agencies (your agency and similar agencies in other states) then distributed FEMAI monies either to direct service providers or to intermediary organizations which in turn gave grants to direct service providers.

The other \$50 million from FEMAI went to a national board of private voluntary organizations staffed by the United Way of America and consisting of FEMA (as chair of the board), Catholic Charities, the Salvation Army, the United Way of America, the American Red Cross, the National Council of Churches, and the Council of Jewish Federations. In this questionnaire, we refer to this as the "National Board Program." The National Board Program selected 961 civil jurisdictions to receive funding, and these Local Boards selected direct service providers.

Supplemental appropriations in fall 1983 added another \$40 million to the National Board Program, some of which went to states (hereafter called FEMAI I). Unless noted, the following questions are concerned with the EFSP under FEMAI.

I. The Decision-making Process

A. Allocation Map

State Agency _____
Name of your Agency

Gave your state's EFSP money to [check a. (direct service providers), b. (intermediary organizations), or both]:

a. _____ b. _____

Intermediary Organizations
(Decision-making organizations below the state level charged with allocating FEMA money to direct service providers)

which were (check all that apply):

- _____ cities, counties, other local jurisdictions
- _____ regional multi-county agencies (CAP agencies, regional development commissions, etc.)
- _____ state-level voluntary or charitable organization(s) (including state-level CAP agencies)
- _____ the same Local Boards that the National Board Program made responsible for distributing its funds
- _____ other (please describe) _____

which gave their money to:

Direct Service Providers
(Organizations which gave food and/or shelter directly to people in need)

which were (check all that apply):

- _____ cities, counties, other local jurisdictions
- _____ regional, multi-county agencies (CAP agencies, regional development commissions, etc.)
- _____ private voluntary organizations (local Red Cross, Salvation Army, Food Kitchens, Shelters, Settlement Houses, ministerial organizations such as Catholic Charities, etc.)
- _____ religious congregations (churches or synagogues)
- _____ other (please describe) _____

B. Time Frame and Decision Participants

1. Did your legislature have to meet to determine the allocation of funds?

_____ No
 _____ Yes

↳ When did they pass this authorization?

_____ (date)

2a. Who gave your agency responsibility for running EFSP?

_____ Governor's office
 _____ Legislature
 _____ Other (please specify) _____

2b. When was your agency given this responsibility?

_____ (date)

3a. Did your state develop its own plan or did it adopt the plan provided by FEMA?

_____ Adopted own plan
 _____ Adopted FEMA plan

3b. How were the following involved in developing the state plan or adopting the FEMA plan? (Please include as part of the plan, changes or added regulations.)

	<u>Active Involvement</u>	<u>Approval/ Veto</u>	<u>Not Involved</u>
Governor's office	_____	_____	_____
Legislature	_____	_____	_____
Your agency	_____	_____	_____
Other (describe)	_____	_____	_____

3c. When was the state plan adopted?

_____ (date)

3d. Did you make changes and/or additions to the original plan?

_____ No
 _____ Yes

3e. What were these changes and when were they made?

4a. How were the following involved in deciding the criteria for allocating the money to specific areas in the state?

	<u>Developed Criteria</u>	<u>Approval/ Veto</u>	<u>Not Involved</u>
Governor's office	_____	_____	_____
Legislature	_____	_____	_____
Your agency	_____	_____	_____
Intermediary organization	_____	_____	_____
Other (describe)	_____	_____	_____

4b. When were the criteria finalized?

_____ (date)

5a. How were funds allocated to direct service providers? (Check all that apply):

_____ Directly by your agency's central office
When were funds awarded?
_____ (date)

(If central office allocated all funds, go to 6.)

_____ By local branches of your office
When were funds awarded to these branches?
_____ (date)

_____ By other local municipal governments
When were funds awarded to local municipal governments?
_____ (date)

_____ By voluntary organizations (specify) _____
When were funds awarded to these voluntary organizations?
_____ (date)

_____ Other allocation method (please describe)

 When were funds awarded by your agency under this method?

_____ (date)

- 5b. When did the direct service providers actually get EFSP funds from the local branches of your office, municipal governments, voluntary organizations, or other allocation method?

_____ (date)

6. Did your state receive a time extension for allocation of funds (other than the extension given in July 1983 allowing states to spend until March if the funds were encumbered in September)?

_____ No

_____ Yes

↳ Extension date _____

Reason(s) for extension _____

7. Did any of your state's EFSP funds go unallocated?

_____ No

_____ Yes

↳ Amount unallocated \$ _____

What conditions were responsible for funds not being allocated?
 (Please state whether the problem occurred on the state, intermediary, or service provision level.)

8. Did your state receive funding under FEMAII (convened at the state-level by the United Way in December 1983, in 15 states receiving less than \$100,000)?

_____ No

_____ Yes

↳ Were you or any other state official involved with your state board decision-making process for FEMAII?

_____ No

_____ Yes (describe who and involvement) _____

C. Regional Allocation Criteria [If no regional allocation criteria was used, skip to D.]

- 1a. What criteria were used in determining the allocation of funds to regions, jurisdictions, or local government agencies? (Check all that apply and indicate data source and cutoff point for eligibility.)

	<u>Source</u>	<u>Cutoff Point</u>
<input type="checkbox"/> Poverty index		
<input type="checkbox"/> Unemployment rate		
<input type="checkbox"/> Unemployment numbers		
<input type="checkbox"/> Homelessness estimates		
<input type="checkbox"/> Health/mortality statistics		
<input type="checkbox"/> Other (describe)		

- 1b. If you combined the above criteria to determine eligibility, please explain how.

2. Were other criteria considered and rejected?

No
 Yes (state criteria and why rejected) _____

[Question 3 for states participating in FEMAI, others go to D.]

3. What were the differences, if any, in how funds were allocated by the state voluntary board for FEMAI versus how your agency allocated funds under FEMAI?

D. Direct Service Providers--Qualifications and Funding

[If funds were allocated directly to service providers, answer question 1a. If funds went to intermediary organizations, skip to 1b. Answer both 1a and 1b if both apply.]

1a. What was required of direct service providers to receive funding? (Give dates of when requirements had to be met and what they were.)

_____ Meet certain criteria (describe)

_____ Submit an RFP (describe)

_____ Submit a plan (describe)

_____ Other (describe)

1b. Describe to the best of your knowledge the intermediary organizations' criteria for allocating funds to direct service providers.

2. What amount of funds was distributed to the following types of organizations for providing services?

	<u>Amount of Funds</u>	<u>Percent of Total</u>
Cities, counties, other local jurisdictions	_____	_____
Regional, multi-county agencies (CAP agencies, regional development commissions, etc.)	_____	_____
Private voluntary organizations (local Red Cross, Salvation Army Food Kitchens, Shelters Settlement Houses, ministerial organizations such as Catholic Charities, etc.)	_____	_____
Religious congregations (churches or synagogues)	_____	_____
Other (please describe) _____	_____	_____
Total	_____	100%

- 3a. What percent of your state's funds were disbursed by July 1, 1983?
 _____ percent
- 3b. What percent of your state's funds were disbursed by September 30, 1983?
 _____ percent
- 3c. What percent of your state's funds were encumbered by September 30, 1983?
 _____ percent
4. Did your state postpone allocation of funds pending action by other persons or agencies?
- _____ No
- _____ Yes (specify action(s))
- _____ State legislature authorization
- _____ National Board Program allocation
- _____ Recipient RFP process
- _____ Saving funds for winter demands
- _____ Develop own regulations for state program
- _____ Other (describe) _____
- _____
- _____

E. EFSP Disputes (Waivers, Appeals, Complaints, etc.)

1a. Please describe your agency's experience with problems in the following areas:

	Type of Organization (e.g., counties, regions, service providers)	Dispute Specifics (e.g. waiver, appeal, complaint, prosecution)	Estimated Number of Disputes	Were they handled formally (systematically) or informally?
Eligible/ineligible cost items	_____	_____	_____	_____
Reporting requirements	_____	_____	_____	_____
Time allowed for expending funds	_____	_____	_____	_____
Audit requirements	_____	_____	_____	_____
Funding level (including none)	_____	_____	_____	_____
Alleged fraud	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

1b. If they were handled informally, describe staff involved and general procedure.

1c. If they were handled formally (systematically processed), describe staff involved and general procedure.

[States participating in FEMAI answer 3; others go to II-A.]

3. How was the complaint process or kinds of complaints lodged under FEMAI different from FEMAI? (please describe)

II. Program Operations

A. Interface with Other Federal Assistance Programs

What other federal assistance programs (such as fuel assistance, surplus feed program, etc.) did your agency work with in the NFSP effort?

Agency Activities Involved (e.g., joint use of staff, outreach, etc.)

B. National Board Program

1. Are you familiar with the National Board Program? (Description of the National Board Program is on page 1.)

_____ No (go to C)

_____ Yes

2. Did you have contact with the National Board Program?

_____	_____	At the national level?
_____	_____	At the state level?
_____	_____	At the local board level?

3. Did your allocation of funds to intermediary organizations or direct service providers depend on what they had received from the National Board Program?

_____ No

_____ Yes (describe)

4. Did you deal with the National Board Program in matters other than funding?

_____ No

_____ Yes (describe activities) _____

C. Administrative Staffing and Costs

- 1a. Two percent of the total funds was designated for administrative costs, one percent was to cover state administrative costs. Did the administrative cost to your state exceed this amount?
 _____ No (Go to 2)
 _____ Yes
- 1b. How much did you estimate was absorbed by your state? _____
- 1c. Can you estimate what percentage of the additional cost went to:
 _____ start-up expenses
 _____ on-going expenses
2. Please estimate the staff hours required in your agency for the EFSP from May 1983 to May 1984?
 Professional staff _____
 Secretarial/clerical _____
3. When was, or when do you expect, the required EFSP audit to be completed?
 Date: _____

D. Direct Service Provider Accounting and Services

- 1a. Were reporting requirements established by your state for the direct service providers?
 _____ No
 ↳ _____ Delegated to intermediary organizations
 _____ Only required to meet initial eligibility criteria
 _____ Yes (please describe)
- 1b. If FEMAII funds were received, did service provider reporting requirements differ from FEMA I requirements?
 _____ No
 _____ Yes (please describe) _____

- 2a. Given the data available to you, please estimate the impact of EFSP funds in terms of:

	<u>Numbers</u>	<u>Dollar Value</u>
Additional meals provided	_____	_____
Additional nights' lodging provided	_____	_____
Additional cots/blanket/supplies purchased	—	_____

- 2b. What source(s) were used to arrive at the above figures?
-

3. Given the data available to you, how much do you estimate was spent in your state on:

Shelter rehabilitation	\$ _____
Number of shelters	_____
Allowable capital costs	\$ _____

- 4a. Please rank the following groups in terms of the number of people receiving the most benefits from the EFSP. (Rank: 1 = most persons receiving benefits)

_____	long-term unemployed
_____	recently unemployed
_____	transients
_____	deinstitutionalized patients
_____	other (specify) _____
_____	other (specify) _____

- 4b. What source(s) were used to arrive at the above ranking?

5. Please send copies of written materials that will aid in describing the EFSP in your state. They include

- a. The state EFSP plan, and regulations and eligibility requirements not included in the plan
- b. The list of recipient and intermediary organizations, with address, contact person, and telephone number
- c. EFSP reports
- d. Relevant statistics
- e. Other

Thank you for taking the time to participate.

FEMA—STATE OPINION QUESTIONS

I. The Program Concepts and Goals

1. Were there problems meeting the basic goals of the program at the state, local, or service-delivery levels (i.e., when defining it as an emergency program to supplement on-going activities involving public and private efforts)? In what ways could program goals be better met? (Note: Goals of interest are those underlined.)
 - a. Were intermediary organizations and direct service providers responsive in meeting deadlines and dealing with the short turnaround time in this program?
 - b. Were there problems in using funds to supplement on-going activities?
 - (i) For example, were direct service providers able to use their funds from other sources to cover what were ineligible costs (like salaries) for these program funds? (To best of your knowledge.)
 - (ii) Was there a need to initiate some programs in areas where there were no established service provision agencies? Was the need for this great in your state? Was it a problem in specific areas (e.g., rural ones)?
 - (iii) Do you know or have any evidence that these funds have contributed to an overall increase in food or shelter services provided in your state (as opposed to a redistribution of funding among service providers)? (Note: If have evidence, ask for source.)
 - c. To your knowledge did this program lead to greater interaction among public and private agency officials in regards to this program? Was it mostly positive? Please give examples if any come to mind.
 - d. Do you feel that the allocation process left out groups that might have benefited from these services? What were they?
2. Has there been any opposition to this program in your state? What has it been about?
 - a. Did some agencies or jurisdictions reject this funding? On what grounds? What agencies/jurisdictions were they?
 - b. Did direct service providers or intermediaries feel that the program was being forced on them? Or was there the feeling that it was too little, too late?

- c. Have state officials been pushing for more funding of this sort or was it felt to be an unnecessary intrusion?

II. The Administrative Process and Administrative Costs

1. Are there other issues relating to administrative costs that were not brought up in the written questionnaire? What adjustments do you recommend be made in the administrative costs allowed by the legislation? (Note: If they haven't looked at questionnaire yet, ask them to glance at it or to write issues on the back of the questionnaire.)
2. Are there ways in which FEMA reporting requirements could be improved?
3. Were the FEMA guidelines provided clear or did you frequently have to request further elaboration? If so, how often? Which guidelines were particularly problematic?
 - a. If guidelines were made more detailed, do you think some flexibility might be lost?
 - b. Did the fact that FEMA periodically modified the guidelines to make them comparable to National Board guidelines create any problems? How?
 - c. What guidelines would you like to see changed and how would these changes make the program more effective?
4. Did the audit requirement create any problems for your agency? How? What changes would you recommend?

III. Institutionalization of the Program

1. Do you think you could handle another year like last year? What changes would you like to see if this program were repeated (e.g., in the plan, the forms, the reporting process, eligible/irreliable cost items, eligibility requirements)? (Note: This question refers to forms, reports. . . from states to FEMA. Below is a repeat of question regarding forms, reports. . . to the state.)
 - a. What changes would you like to see if this program were repeated in the forms, reports. . . turned in to the state?
2. If it were done routinely, what other changes would have to be made?

3. Some states have benefited from the economic recovery and others have not. Will your state have a continued need for an emergency food and shelter program?
4. In the second round of funding money was allocated in some states via a state selection committee organized along the same lines as the National Board. We are interested in this as a model for any future funding that may be made. (Note: Model applied in the 15 states; we want opinion of model from all 52.) Do you think that money could be allocated more rapidly or efficiently via a state board rather than having to go through state channels? Would your agency be able to chair such a board?

IV. Issues for Local Survey

1. In the written questionnaire we ask for information on the intermediary agencies or service deliverers who received funding from the state, including their names, addresses, and contact persons. We want to stress the importance of sending this information. We will use it to contact them in the next phase of our study. If you haven't sent the information yet, please do.
2. Are there any issues that you feel are important to bring up in our interviews with local jurisdictions or private voluntary organizations that received money?

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AN EVALUATION OF THE
DEPARTMENT FOOD AND NUTRITION PROGRAM
LOCAL BOARD AND INTERMEDIARIES

January 1965

**THE URBAN
INSTITUTE**

1900 B Street, N.W.
Washington, D.C. 20037

Project Report

AN EVALUATION OF THE
EMERGENCY FOOD AND SHELTER PROGRAM:
LOCAL BOARDS AND INTERMEDIARIES

January 1985

By

Lynn Burbridge
Annie Miller
Tracy Goodis
Therese van Houten
Martha Burt

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GLOSSARY OF TERMS

FEMA: Federal Emergency Management Agency

CAP: Community Action Program or Community Action Agency

EFSP: The Emergency Food and Shelter Program

National Board Program: that portion of the Emergency Food and Shelter Program administered by the National Board.

State Program: that portion of the Emergency Food and Shelter Program administered by the states.

Phase I: the first round of funding for the Emergency Food and Shelter Program covering the period from April 1983 through March 1984. Both the National Board and the states administered programs under Phase I.

Phase II: the second round of funding for the Emergency Food and Shelter Program covering the period from December 1983 through May 1984. Only the National Board allocated funds under Phase II.

Local Boards: Those boards convened in the jurisdictions picked for funding under The National Board Program, which were responsible for choosing the direct service providers that would receive EFSP funds.

Intermediary Organizations: those organizations receiving funds from the states, to distribute in turn to direct service providers. They were a part of the State Program, Phase I.

Direct Service Providers (or Service Providers): those organizations that provided the services (food or shelter). They may have received funds from Local Boards, other Intermediary Organizations, or directly from the states.

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EXECUTIVE SUMMARY

This report is the second in a series of three reports on the Emergency Food and Shelter Program initiated by Congress in March 1983. The primary focus here is on the operations of the program at the local level. Other reports looked at the operations of this Emergency Food and Shelter Program at the national, regional, and state levels and from the point of view of direct service providers.

The original legislation designated the Emergency Food and Shelter Program as a one-time, emergency program to supplement ongoing food and shelter services being provided by public and private agencies throughout the country. One-half of the money went to the states to disburse and one-half went to a National Board--made up of representatives of six private voluntary organizations and a government representative--to distribute. The states either allocated their funds to direct service providers or to intermediary organizations--cities, counties, or private voluntary organizations--which in turn allocated funds to service providers. The National Board allocated their funds to designated civil jurisdictions, where Local Boards were convened to choose which agencies would be providers of services on the local level for the program. The National Board has received two more allocations from Congress for this program subsequent to that given in March 1983.

This report is based on a questionnaire sent to Local Boards from the National Board Program and intermediary organizations involved in the State Program. It covered the operations in the first two rounds of funding for Local Boards. Since the State Program was only funded in the first round,

responses of intermediary organizations only concern the initial allocation. The results of what was learned from the questionnaire are highlighted on the following pages.

The Allocation Process

Before the Allocation

- o Eighty percent of Local Boards and intermediaries did needs assessments, but Local Boards more often tended to examine data providing information on the "new unemployed" than did intermediaries that favored service statistics or homelessness estimates.
- o Local Boards were slightly more likely to advertise the program than were intermediaries and used media advertising much more often.
- o Rural and suburban areas were less likely to do needs assessments, which may reflect the greater homogeneity of these communities or a lack of experience in conducting such analyses. They were less likely to advertise, but this may reflect the relatively small number of providers to be reached in these areas.

Making the Allocation

- o There were no major differences between Local Boards and intermediaries in choosing their allocation strategy. The strategy used most often involved establishing a criterion that chosen providers had to meet and evaluating a combination of client need, numbers, and services in order to allocate funds between them.
- o Urban areas more often used a competitive strategy, probably because there were more providers to choose from and because they had more experience using a competitive process. Rural areas more often cited that there was only one provider in the area to be funded. A similar pattern was found when looking at differences by grant size. Where grants were larger competitive strategies were used more often, where they were smaller often only one provider was available.

- o Sixty-three to sixty-four percent of respondents reported that Local Board agencies received 50 percent or more of the total allocation. While this is a significant amount, these figures also indicate considerable participation by non-board agencies.
- o Fifty percent of Local Boards and 40 percent of intermediaries reported that 50 percent or more of their total allocations went to providers that did not usually receive government grants. This would indicate that many providers not "tied in" to any established funding network benefited from EFSP, particularly those in the National Board program.
- o Generally, rural areas were more likely to fund providers not on the Local Board or that were not usually recipients of government grants.

After the Allocation

- o The main reason for reallocating or returning funds was an inability on the part of some providers to spend their money on time even though encumbering for future spending was possible.
- o Urban areas more often cited returning funds, but this may reflect the greater number of providers in these areas with a concomitant greater probability of there being at least one provider having some problems.

Allocating Services to Clients

- o A majority of the Local Boards and intermediaries (or their providers) checked clients' income or otherwise established their eligibility for EFSP services. The National Board Program did this more often than intermediaries.
- o From 45 to 50 percent of respondents stated that a great deal of client outreach was attempted in their jurisdiction. Few differences were found between programs but, not surprisingly, rural areas were more likely to undertake considerable outreach.

Waivers, Appeals, and Disputes

- o Client-based waiver requests (e.g. to pay for utility bills or security deposits) were more frequent than those that were specifically food or shelter-related (e.g. to pay for equipment or personnel). Requests to pay client's utility

bills or to provide more than one's months rent or mortgage assistance occurred most often.

- o Intermediaries received fewer waiver requests than Local Boards, but this may reflect differences in wording in the guidelines for the National Board Program and the State Program.
- o The greatest number of appeals came from those providers that had received some funds and wanted more, followed by those who wanted some money and had received none.
- o There were few charges of fraud and even fewer cases that actually resulted in prosecutions.

Services Provided

- o Sixty-three percent of all respondents reported the long-term unemployed as having benefited a great deal from the EFSP. The two groups next mentioned most often as having benefited a great deal were the recently unemployed and female-headed households. The elderly and transients came in fourth and fifth with Local Boards, and in reverse order with intermediaries.
- o When asked which groups would continue to have service needs in the future the ranking was different, although the top four were still the same. Ranked first were the long term unemployed second were female-headed households, third were the elderly and fourth were the recently unemployed.
- o Overall, intermediaries and Local Boards (both phases) are quite similar in their rank ordering of EFSP beneficiaries.
- o The programs do not differ much in terms of the percentage of EFSP recipients on welfare.
- o Three-fourths of all respondents reported that their direct service providers gave out food vouchers. The next most popular services were rental assistance services and food banks.
- o Differences were found in the services provided in different types of communities. Mass feedings and shelters were provided more in the urbanized areas, and less often in rural areas. Housing vouchers and rental assistance were also found less often in rural areas. Food vouchers were less often found in suburban areas.

Community Impact

- o Most of the respondents felt that the EFSP led to a greater interaction among providers in the community and that new networks had been or probably had been formed as a result.
- o About 40 percent of the respondents reported that churches and other community organizations, previously uninvolved with food and shelter programs, had become active because of the EFSP.
- o Approximately half of all respondents felt that the EFSP had elicited more community support than other federal programs.
- o Most respondents reported that greater interaction with public officials had resulted from the program and that public welfare agencies had been supportive of the EFSP.
- o While the EFSP was able to stimulate a significant amount of community mobilization, this did not generate enough financial support to keep expanded services going, respondents reported.

Administration

- o Phase I Local Boards were most likely to perceive allowable administrative costs as sufficient (42 percent). Phase II Local Boards came next (36 percent) and State Program intermediaries were least satisfied with allowable costs for administration (27 percent). This is not surprising since in Phase I Local Board jurisdictions were allowed as much as 2% of their allocation for administrative costs, Phase II Local Board jurisdictions had 1% and intermediaries often had less than 1%.
- o More Local Boards than providers expressed satisfaction with costs. In our survey of providers—the results of which are presented on another report—only 19 percent of direct service providers expressed satisfaction with allowable administrative costs.
- o The average administrative cost for normal operations among member agencies of Local Boards and among intermediaries that had a "usual overhead or indirect cost" rate, was 9.6 percent. All respondents felt they could easily have met EFSP costs with this rate.
- o Most respondents in both programs thought 4 to 6 percent would cover their administrative costs—a figure less than their own "usual rate" but considerably higher than EFSP allowed.

- o Fifty-eight percent of intermediaries and 55 percent of Local Boards reported difficulties in meeting excess administrative costs.
- o Professional and clerical staff time posed the greatest problems. Transportation was a problem for intermediaries more than for Local Boards, possibly because they often had responsibility for larger geographical regions.
- o To compensate for excess administrative costs, more than two-thirds of Local Boards used volunteers, while only half of the intermediaries did so. Participants from both programs relied to the same degree (65 to 71 percent) on using other funds available to their agency. Very few from either program raised additional or matching funds.
- o About half of the participants in both programs thought the program guidelines were clear. Thirty percent of Phase I participants—both Local Boards and intermediaries—stated that they sought clarification of the guidelines.
- o Phase II Local Boards reported greater guideline clarity, both because the guidelines had been modified and because they had Phase I experience to call on.
- o Almost all the Local Boards that received money in both Phase I and Phase II thought administration was easier in Phase II.

Chapter I. BACKGROUND AND SAMPLE

On March 24, 1983, the President signed Public Law 98-8, referred to as the "Jobs Stimulus Bill," which established the Emergency Food and Shelter Program (EFSP) to provide emergency food and shelter assistance for the needy. Altogether, \$100 million was appropriated; \$50 million to be disbursed by the states (the State Program) and \$50 million to be disbursed by a National Board made up of representatives of private nonprofit charitable agencies (the National Board Program). Originally a one-time only program, Congress has twice provided supplemental funding since the original legislation. In both cases, however, additional funds went only to the National Board and not to the states. In November of 1983 Congress appropriated \$40 million to this program; Public Law 98-151, signed on November 14 providing \$10 million in supplemental funding and Public Law 98-181, signed November 30, providing another \$30 million. Public Law 98-396, signed on August 27, 1984, appropriated another \$70 million for the EFSP.

The Urban Institute has conducted an evaluation of this program, focusing on the rounds of funding made in March 1983 (referred to as Phase I) and that made in November of this same year (referred to as Phase II). This report is the second of three reports on the EFSP. The first report focused on the program at the national, regional, and state levels, and the third report looked at the providers of services under the EFSP. This report focuses on Local Boards that were responsible for allocating funds on the county or jurisdictional level under the National Board Program, and on intermediary organizations responsible for allocating funds on the county or local levels under the State Program. It is based on a questionnaire sent to these

"intermediary" decision makers in early August of 1984.

The remainder of this chapter describes program operations and discusses our sample. The following chapters analyze the data collected from our questionnaire. They focus on four substantive areas: decision making, services, community impact, and administration, including administrative costs.

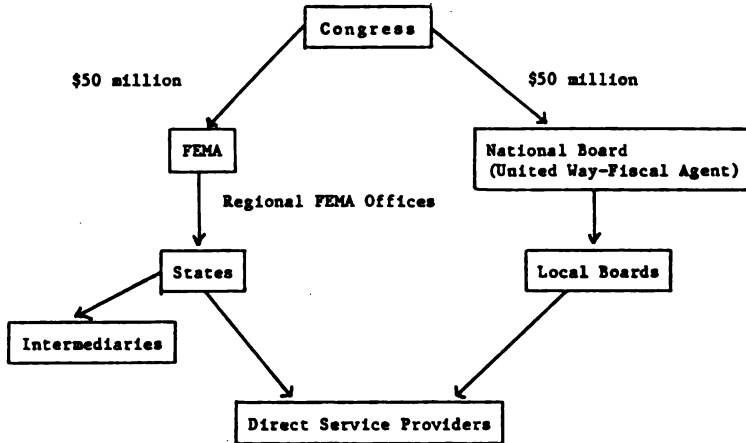
Background

This evaluation covers Phase I and Phase II of the Emergency Food and Shelter Program (EFSP). Chart I.1 depicts how the allocation decisions were made for the State Program and the National Board Program under Phase I and the National Board Program under Phase II.

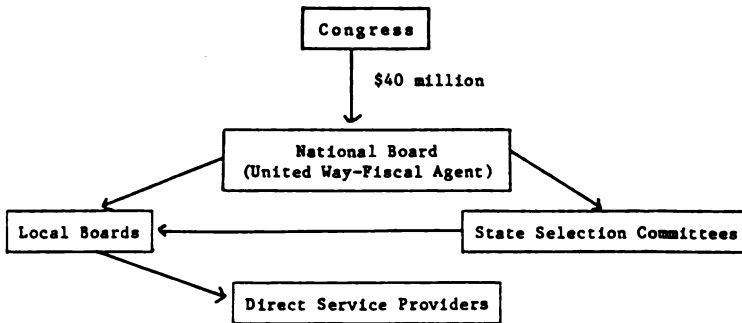
Phase I. Under the State Program in Phase I FEMA allocated \$50 million to the 50 states, Puerto Rico, American Samoa, Guam, Virgin Islands, the Trust Territories and the Mariana Islands using the Community Services Block Grant formula. The states either allocated their funds directly to providers of food and shelter services in areas where they felt there was the greatest need, or designated intermediaries to make final allocation decisions. These intermediaries, located in cities or counties identified as having a need for these services, were either public or private nonprofit agencies with the capacity to make final allocation decisions. We found considerable variation from state to state in how allocations were made, a subject discussed in detail in an earlier report.¹ Monitoring and providing technical assistance to the states was the responsibility of the FEMA national office and the ten

¹See Burbridge, L., A. Millar, M. Surber, T. van Houten, M. Colocci, and M. Burt, "An Evaluation of the Emergency Food and Shelter Program: National, Regional and State Level Analysis," Urban Institute Project Report, Washington, D. C., November 1984.

CHART 1*
 THE ALLOCATION DECISIONS--THE OVERALL PROGRAM*
 Public Law 98-8 (Phase I)



Public Law 98-151 and 98-181 (Phase II)



*This chart shows how allocation decisions were made. The actual disbursement of funds went from the United Way of America, fiscal agent for the National Board, to the providers. Local Boards did not disburse any funds.

FEMA regional offices.

The National Board under Phase I developed an allocation formula for choosing those civil jurisdictions most in need of emergency services.² The local United Way in each jurisdiction was given responsibility for convening a Local Board in its area. Each Local Board determined how to allocate the National Board award among the direct service providers in its jurisdiction. Where no local United Way was available in a given jurisdiction, the local American Red Cross convened the Local Board. In some rural areas where no appropriate voluntary agency existed, churches or local government officials were asked to convene a Local Board. United Way of America also served as secretariat and fiscal agent for the National Board. When Local Boards made their allocation decisions, the United Way offices in Alexandria, Virginia, sent the funds directly to the providers. The Local Boards, therefore, never actually received any money directly unless they chose to use some for administrative costs.

Phase II. Under Phase II only the National Board received an appropriation from Congress. As previously, they used an allocation formula to determine eligible jurisdictions. Local Boards were convened in these jurisdictions that made the final allocation decisions.

However, the National Board also decided to allocate a minimum of \$100,000 to each state in lieu of the State Program.³ Those states with no

²Civil jurisdictions are defined as: (a) cities with a population of 50,000 or more, (b) counties regardless of size, and (c) balance of counties with cities "(a)" taken out.

³Under Phase I, the Community Services Block Grant formula used for the state program provided a minimum allocation of \$125,000 to each state. The National Board took 80 percent of this amount (since the supplemental appropriation was 80 percent of the original) and determined that each state should receive the \$100,000 minimum.

qualifying districts or those for which their total award--when aggregated across qualifying districts--was less than \$100,000 were given grants to bring their total award to this figure. A State Selection Committee was convened in these states (15 in all) to make decisions about allocating these funds. Most members of these State Selection Committees came from the same organizations that comprised the National Board, plus the governor or the governor's representative. Most of the State Selection Committees designated needy jurisdictions, where Local Boards were convened to make the final allocation decisions.

The Sample

The Urban Institute sent questionnaires regarding Emergency Food and Shelter Program operations to a sample of Local Boards involved in the National Board Program and intermediary organizations involved in the State Program. (See the appendix for the questionnaires.) A stratified, random sample of 500 Local Boards drawn from National Board records received a questionnaire. However, intermediary organizations from the State Program were not randomly chosen to receive a similar questionnaire. Since FEMA had no centralized list of intermediaries participating in the State Program, we relied on information sent to us by those states willing and able to do so.⁴ Altogether, the Urban Institute sent questionnaires to 255 intermediary

⁴We conducted interviews with all state level administrators, during which we asked them to send lists of intermediaries and providers involved in the program. Only 13 states sent lists of intermediary organizations (255 in all). Since those states that sent lists may have been more organized than those that did or could not, the sample of intermediaries may be biased in favor of those that came from the more efficient state programs.

organizations.

By most standards for mailed questionnaires, the response rate was quite high. Fifty-eight percent (289) of the Local Boards responded and 51 percent (129) of the intermediary organizations did so. Table I.1 presents some data on the Local Boards and intermediaries in our sample.

Composition. The sample included approximately 25 percent of those Local Boards involved in Phase I and 25 percent of those involved in Phase II. The sample of intermediaries comes from one quarter of the states participating in the State Program. Comparisons between our Local Board sample and the total universe of Local Boards show that they were very similar in terms of the proportions of their grants spent for food and shelter and dollars spent per meal and per night of shelter. Unfortunately, we cannot make similar comparisons for intermediary organizations because we lack information on per-unit expenditures for food and shelter for the total universe of state intermediaries. We do know organizational affiliation for intermediaries in our sample, however, and Table I.1 presents these data. Over 40 percent described themselves as CAP or community action agencies. Twenty-three percent were public human service agencies and a similar percentage were private human service agencies. The remaining 10 percent designated the "other" category.

Program Overlap. Forty-eight percent of those responding to the Local Board questionnaire—usually the Local Board chair—stated that their agency also served as an intermediary or a provider or both in the State Program. Fifty-five percent of the intermediaries responding to the State Program

Table I.1
Questionnaire Sample and Total

	<u>Questionnaire Sample</u>		<u>Total</u>	
	Phase I	Phase II	Phase I	Phase II
<u>Local Boards</u>				
Number of jurisdictions ^a	238	234	961	836
Percentage spent for food ^b	66.08	63.05	67.01	64.20
Percentage spent for shelter ^b	32.40	36.70	32.90	35.80
Number of meals	-	-	51.3 million	33.8 million
Dollars per meal ^b	.72	.75	.66	.76
Number of nights	-	-	6.8 million	6.3 million
Dollars for one night of shelter	2.60	2.84	2.44	2.32
<u>Intermediary Organizations</u>				
Number of intermediaries	129	--	NA	--
Number of states	13	--	50	--
Type of intermediary				
CAP agency	56	--	NA	--
Public human service agency	29	--	NA	--
Private human service agency	30	--	NA	--
Other private agency	14	--	NA	--

Note: a. Some jurisdictions participated in both Phase I and II so the total number of Phase I and Phase II does not add up to 289, the total responses actually received.

b. These are estimates as there are some missing values in the data.

questionnaire indicated that their agency served on a Local Board. These figures indicate considerable overlap in the counties receiving money from each program, as well as overlap among those involved in decision making in both programs on the local level. A certain basic similarity in questionnaire responses for organizations in the two programs should not therefore be too surprising and, indeed, we see this pattern in almost all the areas analyzed in succeeding chapters.

Community Characteristics. The EFSP was created by Congress to meet emergency needs for food and shelter that resulted from the 1981-1982 recession. Its primary focus was on the newly unemployed--individuals and communities hard hit by layoffs and job losses. An important question for this evaluation is whether EFSP support went to jurisdictions with large numbers of laid off workers.

With respect to service needs, 61 percent of intermediaries and 76 to 78 percent of Local Boards said their areas had large numbers of laid off workers; 52 to 55 percent of all respondents mentioned dispersed pockets of poverty and 23 to 38 percent referred to large numbers of transients. Only 19 to 20 percent described their communities as containing large ghetto areas. Intermediaries and Local Boards reported similar community characteristics except that a higher percentage of the former respondents characterized their communities as attractive to transients (38 percent as compared to 61 percent of state program respondents). For greater detail, see Table A.I.1 in the appendix.

In addition to these data from our sample, National Board staff calculate

that Phase I funding under the National Board Program went to cities and counties containing 57 percent of the nation's unemployed. The Phase II figure was 59 percent. Parallel figures for the distribution of State Program funds are not available, since no complete list exists of jurisdictions receiving State Program funds.

Another way to look at targeting of EFSP resources is to look at the urban-rural mix of jurisdictions receiving EFSP dollars. The top part of Table I.2 shows the distribution of all U.S. counties, by population. For convenience we will follow the convention used by the National Association of Counties and consider all counties rural if their population is lower than 50,000. Seventy-five percent of all U.S. counties are rural by this definition, whereas 62 percent of National Board Phase I jurisdictions had populations lower than 50,000 and 53 percent of Phase II jurisdictions were this small. (No similar data are available for State Program jurisdictions).

The National Board clearly chose to give EFSP money to a disproportionately high number of urban counties. However, by doing so they succeeded in focusing resources on larger numbers of unemployed people. The National Board provided support to 30 percent of U.S. counties in Phase I but these counties contained 57 percent of the nation's unemployed. In Phase II the parallel figures are 27 percent of counties and 59 percent of the unemployed. Thus the allocation decision appears to have fulfilled the intent of the EFSP legislation, to give assistance to the unemployed as a top priority group.

Yet another perspective on the urban-rural mix of programs supported by

Table I.2.
Distribution of County Governments by Population^a

Population	All U.S. Counties		Phase I NBP jurisdictions		Phase II NBP jurisdictions	
	#	%	#	%	#	%
250,000 or more	156	5.1	115	12.7	118	14.6
100,000 - 249,999	216	7.2	83	9.2	101	12.5
50,000 - 99,999	374	12.3	145	16.0	164	20.3
25,000 - 49,999	611	20.1	196	21.6	227	28.2
10,000 - 24,999	957	31.5	249	27.5	185	23.0
9,999 - and below	<u>725</u>	<u>23.8</u>	<u>119</u>	<u>13.1</u>	<u>11</u>	<u>1.4</u>
	3041	100.0	907	100.0	806	100.0

Source: City and County Data Book; National Board lists of Phase I and Phase II civil jurisdictions.

Note: a. 25 to 30 jurisdictions funded by the National Board, the majority of which were U.S. trusts and territories, are not included in this tabulation. Further, the Phase I data does not include those 29 counties that returned their funds. Most of these were small counties, so the distribution would be changed somewhat with their inclusion.

Percentage of Jurisdictions of a Given Community Type

	Local Boards		
	Phase I	Phase II	Intermediaries
Urban	6.0	6.9	8.7
Urban/suburban	1.7	3.0	4.7
Urban/suburban/rural	20.5	21.9	16.5
Suburban	3.4	3.0	3.9
Suburban/rural	6.4	5.6	4.7
Rural	49.6	45.1	45.7
Urban/rural	11.5	12.9	15.7

Source: Urban Institute survey.

Note: a. These figures are based on respondents' own designations of their jurisdiction's community type.

EFSP comes from our survey respondents' own characterization of their jurisdictions. As summarized in the bottom half of Table I.2., only 6 to 9 percent characterized their communities as urban only, another 34 to 37 percent described them as urban mixed with rural and or suburban areas. A large percentage described their communities as rural only, from 45 to 50 percent. Three to four percent described their communities as suburban only, and 5 to 6 percent as a suburban/rural mix. Our sample of Local Boards is thus quite representative of all participants in the National Board Program.

Of equal interest in Table I.2 is the comparison between Local Boards and intermediaries in the distribution of community types. These data reveal very few differences between National Board and State Programs in the types of communities to which they gave EFSP money. Forty percent of Local Boards in Phase I and 45 percent in Phase II characterized their communities as containing rural areas, compared to 46 percent of intermediaries in the State Program. Seventy-seven percent of Phase I Local Boards, 86 percent of Phase II Local Boards and 83 percent of intermediaries also had urban areas in their jurisdictions. About equal numbers in all programs characterized their jurisdictions as purely urban or purely rural. Thus, the two mechanisms for distributing EFSP funds--the National Board and the State Program--appear to have made very similar decisions about where the money was most needed.

Seventy-nine to eighty percent of Local Boards reported the importance of climate in determining the kind of services provided, compared to only 64 percent of intermediaries. Eighty-three to eighty-four percent of all respondents who said that climate played an important role cited winter as the

most pressing time of need for food and shelter services.

Respondents were asked to rate various population subgroups in terms of their ongoing needs that were not being met by public welfare or other government programs in the area. The long-term unemployed were cited the most (by 61 to 65 percent of all respondents) as having a great deal of ongoing need. Female-headed households ranked next, cited by 46 to 57 percent of respondents, followed by the elderly (30 to 36 percent of respondents) and the recently unemployed (30 to 34 percent). Transients and deinstitutionalized patients were ranked last as having a "great deal" of ongoing need.

More state intermediaries than Local Boards cited transients (29 percent respondents compared to 17 to 19 percent of Local Boards), female-headed households (57 percent compared to 46 to 49 percent of Local Boards) and deinstitutionalized patients (26 percent compared to 14 to 15 percent of Local Boards) as being very much in need of services (Table A.1.2 in the appendix).

Respondents also rated services their community continued to need. Food kitchens/food vouchers/food banks were rated as highly needed services by over 73 percent of all respondents, followed by energy assistance (about 56 percent) and rental/mortgage assistance (about 55 percent of Local Boards and 61 percent of State intermediaries). Over half of all respondents affirmed the high degree of need for shelters/housing vouchers and for medical assistance. Twenty-nine percent of Local Boards and 45 percent of intermediaries cited meals on wheels as a highly needed program. Clothing and relocation assistance were ranked last (Table A.I.3). A greater percentage of intermediaries perceived "a great deal of ongoing need" for meals on wheels

(16 percent more than Local Boards), shelters/housing vouchers (15 percent more), medical assistance (10 percent more), relocation assistance (8 percent more), and rental/mortgage assistance (7 percent more).

Additional Comments. Before further detailing the responses to the specific questions asked, we would like to say a word or two about the final question on the survey in which all respondents were asked to make any additional comments about EFSP or clarifications regarding answers given. Since they raised many issues pertinent to the succeeding discussion, we present their responses here so that we can refer to them in the analysis that follows. These spontaneous comments should be noted in conjunction with the usually much larger number of respondents who expressed similar opinions in response to specific questions.

Approximately 30 percent of the respondents to the survey took advantage of this opportunity. Over one-fifth of those commenting on the EFSP expressed an overall positive experience, stating a heightened community awareness of the plight of the poor and homeless and increased cooperation between private voluntary organizations resulting from the program. A few respondents stated that they would not have been able to provide services to the needy without the assistance of the EFSP. Other positive aspects mentioned were the minimal paperwork and the ease of implementation and administration of the programs. The newly unemployed were specifically mentioned by some respondents as benefiting greatly from the emergency relief; however, it was also noted that this client group is becoming a chronic problem and will be in need of future assistance.

About 10 percent of the respondents also had positive comments for the EFSP, but added that emergency relief is a 12-month issue and should be handled by an ongoing program. Many respondents stated that hunger and homelessness continued after the EFSP funds were exhausted and the program only provided a band-aid solution.

However, the greatest dissatisfaction with the EFSP was the time frame for spending or encumbering the funds. Twenty-five percent of all respondents felt that the deadlines did not provide enough time for an effective and efficient disbursement of funds. Some respondents stated that the lack of time limited their ability to thoroughly verify client eligibility. Others felt that the time frame was insufficient to thoughtfully plan and advertise the program, which led to inefficient use of existing resources. These feelings did not differ by type of program (State Program or National Board Program). It should be noted that the National Board did give providers the option of adjusting their program plans to meet problems that arose after the award. Further, National Board staff indicated that many did take advantage of this flexibility. We cannot say the extent to which they did so or how they did so from our survey results, however.

Nine percent of the respondents spontaneously suggested additional funding for administrative costs, in addition to the 58-64 percent of Local Boards and 73 percent of intermediaries whose questionnaire responses indicated inadequate administrative allowances (see Chapter V). Generally, the respondents felt that the allowed amount was not a realistic reflection of the costs involved in supporting an emergency relief program. One respondent

stated that if additional administrative funds were not made available, fewer and fewer agencies would be able to afford FEMA funding.

Shelter-related issues were mentioned by about 8 percent of the respondents as areas of concern. The majority felt funds should be available for energy assistance. Additional allocations for rent and mortgage payments and shelter rehabilitation were also suggested.

Only 5 percent of the respondents commented on the reporting requirements and program guidelines. Some respondents felt the reporting requirements imposed a hardship on smaller communities and those agencies with all volunteer staffs. These respondents cited increased paperwork and the complexity of financial reporting forms as major problems. A few respondents said the guidelines were too vague and thought they should be tailored to the needs of specific types of communities. Others suggested including medical care and prescription drugs as allowable items.

Comments on the National Board Program versus the State Program were received from approximately 11 percent of the respondents. An overwhelming majority of respondents from Local Boards felt the National Board Program was less complicated and more efficient than the State Programs. Also, by utilizing the private voluntary sector, these respondents felt their delivery structure was less costly and more timely.

On the other hand, all except one intermediary in our sample felt that emergency relief was better handled at the state level. This group felt that the distribution of funds was more equitable under the State Program, claiming that funds allocated by the National Board often went to large urban areas.

Although State Program intermediaries hold these perceptions, the data in Table I.2 indicate very little difference in how the two programs distributed their funds among community types. State program respondents also noted their perception that the National Board required less accountability than the states. Our experience as evaluators for the two programs strongly refutes this perception. Whereas some states may have required strict accounting, nationally FEMA asked less of the states than the National Board asked of Local Boards or direct service providers. As a consequence, we have (and report in this document) data from the National Board Program but not the State Program on which jurisdictions and providers received funding, exactly how much funding each received, how many additional meals and nights of lodging the money provided and the average cost of these services. States did not have this information but the National Board Program did.

Other comments included suggestions to relieve unemployment by abolishing minimum wage laws, descriptions of the allocation process to service providers, and complaints about client abuses.

Chapter Summary

In 1983 an act of Congress instituted the Emergency Food and Shelter Program. The Urban Institute undertook a study of this program in its first year. As one phase of the analysis, we sent questionnaires to 500 Local Boards in the National Board Program and 255 intermediary organizations in the State Program to find out how the program worked in their respective jurisdictions. The response rate was over 50 percent.

The characteristics of the sample can be described as follows:



- o approximately 25 percent of the jurisdictions in the National Board Program and 25 percent of the states in the State Program were represented in our sample;
- o 40 percent of the intermediary agencies were CAPs, while another 46 percent were public or private human service agencies;
- o the two programs were quite overlapping at the local level; approximately half of the agencies represented on Local Boards also received funding from the State Program and vice versa;
- o a variety of "community types" were in the sample, with 40 to 45 percent of respondents describing their community as urban or urban mixed with rural and suburban areas and a similar percentage describing their community as rural;
- o The National Board Program funded services in 27-30 percent of U.S. counties, which were home to 57-59 percent of the nation's unemployed. Similar figures are not available for the State Program. The National Board Program was thus verifiably responsive to the Congressional mandate to focus efforts on unemployed workers suffering the effects of recession.
- o a majority of respondents described their communities as having large numbers of laid off workers, half mentioned dispersed pockets of poverty, approximately one-third cited large numbers of transients, and one-fifth had large ghetto areas; intermediaries were more likely to cite transients, whereas Local Boards served more laid off workers;
- o the long-term unemployed were more often cited as having ongoing needs, followed by female-headed households, elderly, recently unemployed, transients, and deinstitutionalized patients; intermediaries were more likely to cite transients, female-headed households, and deinstitutionalized patients than were Local Boards;
- o food kitchens/food vouchers/food banks were most often cited as needed services for the communities in the sample, followed by energy assistance, rental/mortgage assistance, shelters/housing vouchers, medical assistance, meals on wheels, and relocation assistance; and
- o respondents, when provided the opportunity to make additional comments about the program, felt that the EFSP was an overall positive experience in that it filled a great need and led to greater community interaction. The major disadvantage expressed was over the short time frame given for conducting the program.

The following sections discuss the actual workings of the program in greater detail. The brief sketch of the program and the characteristics of our sample given here will serve as a backdrop for the presentation that follows.

Chapter II. THE DECISION-MAKING PROCESS

The EFSP legislation and the guidelines developed by FEMA for the State Program and the National Board for its program gave those operating the program at the local level considerable discretion to assess community needs and to allocate funds and services. Based on information provided in our interviews with those involved with the program on the national, regional, and state levels—the results of which are presented in an earlier report—we developed a series of questions that would be relevant to this process.

The next three sections describe local-level decision making. First we explore the allocation of funds to direct service providers. A discussion of the allocation of services to clients follows. Finally we examine the problems and disputes that arose and how these were handled. Comparisons are made between the National Board Program and the State Program and among different kinds of communities.

The Allocation of Funds to Direct Service Providers

We examined several aspects of the allocation process. First, we wanted to know what steps were taken prior to allocation, such as an assessment of community needs or a general announcement of the availability of funds. Second, we learned how providers were chosen and how funds were divided between them. Third, we looked at any adjustments that might have been made, such as returning, reallocating, or encumbering funds.

Before the Allocation

Prior to the allocation Local Boards were convened for the National Board Program and intermediaries chosen in some of the states in the State

Program. These Local Boards and intermediaries had to elicit community interest in the program and to make some assessment as to community needs before allocating funds. In this section two important issues are addressed:

- o Did Local Boards or intermediaries undertake a needs assessment and, if so, how did they do it?
- o Did Local Boards or intermediaries advertise the existence of the EFSP so all providers that wanted to would be able to participate?

Approximately 80 percent of both intermediaries and Local Boards undertook needs assessments prior to allocation. The main differences between the two lay in the kinds and sources of data used to undertake these assessments. Local Boards relied on federal and state statistics and unemployment figures more often than intermediaries did. Intermediaries were more likely to use local city or county data, service statistics, and homelessness estimates. Local Boards did consider locally oriented data, however, analyzing information on plant or mine closings or on the exhaustion of unemployment insurance more often than intermediaries did. These data provide more information on the "new unemployed" in comparison to the service data or homelessness estimates favored by intermediaries. We cannot say from the survey results how intensively data sources were used or how much weight was given to different kinds of information, however.

The more rural areas were less likely to undertake needs assessments than other areas. One possible explanation is that these are smaller, less complex, more homogenous communities where problem areas are easily identified. Rural areas were also more likely to be without established social service agencies that had the resources and experience to undertake such an assessment. A summary of the data on needs assessments by program and community type is presented in the appendix (Tables A.II.1 and A.II.2).

Local Boards and intermediaries were about equally likely to advertise the existence of funds. Overall figures were 95 and 93 percent in Phases I and II, respectively, of the National Board Program, and 92 percent in the State Program. They differed in how they advertised, with Local Boards using the media much more often than did intermediaries. Generally Local Boards used other advertising methods more often as well, including letters and telephoning, notices in newsletters and bulletin boards used by private voluntary organizations, word of mouth. Since National Board guidelines obligated Local Boards to advertise, these differences are not surprising.

Interestingly, when the data were arranged by community type, intermediaries were consistently found to advertise less often except in the case of rural or suburban-rural mixed communities. Overall, suburban communities and, to a lesser extent, rural communities did less advertising. The possible reason for this may be the small number of providers to be contacted in such areas and a greater interaction between them given the smallness of these communities. A summary of the data on advertising can be found in appendix (Tables A.II.3 and A.II.4).

Overall, both Local Boards and intermediaries took preliminary steps to involve other providers in the program and to address community needs. The results suggest the following:

- o eighty percent of Local Boards and intermediaries did needs assessments;
- o Local Boards more often tended to examine data providing information on the "new unemployed" than did intermediaries who favored service statistics or homelessness estimates;
- o rural and suburban areas were less likely to do needs assessments, which may reflect the greater homogeneity of these communities or a lack of experience in conducting such analyses;

- o Local Boards were more likely to advertise the program than were intermediaries and used media advertising much more often; and
- o suburban and rural communities were less likely to advertise, but this may reflect the relatively small number of providers to be reached in these areas.

Making the Allocation

We were interested in several issues concerning the allocation process. Primarily we wanted to know how the money was allocated and what the final distribution of funds looked like. Within these major issues were several subissues:

- o What strategy did Local Boards and intermediaries employ to choose those providers that would receive funds? Possible strategies ranged from giving some funds to every provider who applied to making all providers compete for funding.
- o Once providers were chosen, how did Local Boards or intermediaries decide how much to give? Possible strategies ranged from dividing funds equally to making providers compete for the largest allocation.
- o How did strategies vary by program type, community type, and grant size?
- o How were funds distributed to those not on the Local Board or to those providers that were not commonly recipients of government funding? Did funding go to those in an "old boy network," or did every service provider have an equal chance to receive funds?
- o How were funds distributed to different kinds of communities?

Local Boards or intermediaries could use many strategies to allocate funds. We asked them to tell us which of the following techniques they used to pick service providers: (1) funds went to those who submitted the best proposal, (2) funds went to those who met an established criterion (other than requirements specified by FEMA for the National Board), (3) funds went to every provider that applied, (4) funds went to the only provider in the area, and (5) funds went to providers demonstrating the greatest need. They were

then asked which of the following best describes their basis for deciding how much each provider received: (1) allocation was divided equally among those chosen, (2) allocation was based on a combination of client need, client numbers, and service type, (3) allocation was based on expected number of clients, (4) allocation was based on the kinds of services provided, and (5) the largest allocations went to those submitting the best proposal or plan. For both these questions an "other" category was also available.

There were few major differences between intermediaries and Local Boards in their allocation strategies. In choosing providers, intermediaries relied less often on a single criterion than did Local Boards (23 percent for the former, 35 and 32 percent for Phases I and II for the latter). However, they more often chose every provider applying (26, 21, and 20 percent, respectively). Both programs overwhelmingly used a combination of criteria--need, numbers, and services--to determine how much was allocated; intermediaries did so somewhat more than the Local Boards (61, 48, and 49 percent, respectively). Intermediaries less often relied on client numbers alone than did Local Boards (9 percent versus 13 and 12 percent). Overall, the differences were not dramatic (see Table A.II.5 for results).

In order to see how Local Boards and intermediaries combined these strategies, we calculated cross tabulations of how providers were chosen by how the money was allocated. Table II.1 presents the results. Each cell in the table shows a mean percentage (averaged across those percentages for Phases I and II of the National Board Program and for intermediaries in the State Program).⁵ The overall allocation strategy most often used by those in

⁵Averages were calculated here and in other tables (found in the appendix) when it was felt that the differences between the three groups (Local Board Phases I and II and intermediaries) did not show differences significant enough to warrant presenting them separately.

Table II-1

How Providers Were Chosen by How Money Was Allotted—Mean Percentages (Averaged for Internediciaries and Local Boards, Phase I and II)

	Equally Divided	Combination	Client Numbers Only	Needs of Services	Best Proposal	Other	Row Totals ^a
Best proposal	8.8	8.9	2.1	2.9	1.6	1.6	17.1
Established criteria	2.9	18.4	1.4	1.3	2.7	1.1	29.8
Every provider	1.9	13.8	1.4	1.8	5.5	8.8	23.7
Only one provider	1.7	3.6	2.5	2.9	2.3	7.1	18.1
Greatest need	8.1	6.1	1.5	1.4	5.5	8.2	30.4
Other	8.4	1.5	1.3	1.9	2.5	8.9	24.5

Note: a- Numbers do not equal 100% due to rounding.

our sample involved establishing a criterion that chosen providers had to meet and evaluating a combination of client need, numbers, and services in order to allocate funds between them. The second most often used overall strategy involved giving funds to every provider applying and the same combination method for allocating funds. In other words, relatively simple methods were used to choose providers while a more elaborate one was used to decide how much was allocated to each one. A competitive strategy—choosing those with the best proposals, again with the combination method for allocating funds—came in third. The mean percentages for other options are relatively small.

In making comparisons by community type (see Table A.II.6), we find that urban areas or urban mixed areas were much more likely to use a competitive strategy (i.e., best proposal) to choose providers. This probably reflects the greater number of possible providers in urban areas and their greater experience with the competitive method often used to procure federal and state grants. In support of this interpretation, few urban areas stated that they only had one provider available while a significant percentage of rural areas did. The combination method for allocating funds was still the favorite regardless of community type.

A similar pattern emerges when one examines the allocation strategy by grant size (data on grant size is only available for the National Board Program). The larger the grant the more often a competitive strategy was used. The established criterion method of choosing providers also increased with grant size. Local Boards funded every provider applying when dealing with medium-sized grants. Where there was only one provider, grants tended to

be smaller. Of course, grant size and community type are probably correlated since areas with smaller populations (i.e., rural areas) received less funds than those with larger populations (i.e., urban areas). The competitive strategy for deciding how much providers received also increases in importance (albeit slightly) with increases in grant size, although the combination method remains the most common regardless of grant size (see Table A.II.8).

One positive aspect of EFSP often cited in our earlier interviews was that less-established providers outside of the "old boy network" were often able to receive funds.⁶ We asked Local Boards and intermediaries two questions to get a sense of how often this happened. Local Boards were asked what percentage of funds went to agencies on the board. In addition, all respondents were asked what percentage of funds went to private voluntary organizations that were not "usually" recipients of government grants.

Sixty-three to 64 percent of the Local Boards stated that agencies represented on the Local Board received half or more of their jurisdiction's total allocation. Slightly higher proportions of Local Boards in urban and suburban areas reported this pattern. About half of the Local Boards reported that 50 percent or more of their jurisdiction's total allocation went to providers that did not usually receive government grants. This was less often true in the urban, suburban, and urban/suburban areas. For the State Program similar patterns are found, although generally private voluntary organizations without a history of receiving grants received a smaller proportion of funds. This probably reflects the greater percentage of public agencies receiving monies under the State Program, which would have a greater

⁶See Burbridge et al., "Evaluation of the Emergency Food and Shelter Program: National, Regional and State Level Analysis" November 1984.

likelihood of having received other government funding (Tables A.II.8 and A.II.9 summarize these results).

Overall, these results indicate considerable participation by less established agencies, particularly outside the urban areas. The more established agencies, of course, did very well, which is not surprising given their experience and capabilities. They may also be "more entrenched" in the urban areas. Further, the greater complexity of the problems in these areas may explain why these agencies played such an important role in them.

We noted earlier that respondents from rural areas complained that the National Board's allocation was unfair to them since the formula required that areas with small numbers of unemployed have higher unemployment rates to receive money. However, we also showed that over half of our respondents were from rural areas, and our respondents appear to be reasonably representative of all Local Boards on the urban-rural continuum (see Table II.1). We discussed the interpretation of these data as "targeting the unemployed" rather than "anti-rural bias" in Chapter I.

The data do indicate that rural areas were more likely to receive smaller grants, in keeping with their smaller populations. Table II.2 shows the distribution of various grant size amounts to different areas. Seventy-five to eighty percent of grants less than \$25,000 went to rural areas. This does not make the allocation unfair since the size of the grant sent to a jurisdiction was based on the number of unemployed in a given area. Results from our analysis suggest, therefore, that rural areas were just as likely to receive funds but often received smaller grants. Although we were unable to control for differences in the number of unemployed, it is reasonable to interpret our results as indicative of a National Board policy to fund

Table II.2

Percentage of Jurisdictions Receiving A Given Allocation Amount^a

	Local Board Dollars (\$)						
	0- 5,000	5,001- 15,000	15,001- 25,000	25,001- 50,000	50,001- 100,000	100,001- 500,000	500,001- 1,000,000+
Phase I							
Urban	0.0	0.0	0.0	6.8	5.6	15.4	52.2
Urban/suburban	0.0	0.0	0.0	0.0	0.0	9.4	25.2
Urban/suburban/ rural	5.9	5.3	5.4	18.2	50.0	56.3	25.2
Suburban	11.8	0.0	0.0	2.3	5.6	9.4	3.2
Suburban/rural	5.9	3.5	8.1	9.1	5.6	0.0	6.2
Rural	75.5	79.0	75.7	43.2	11.1	0.0	3.8
Urban Rural	0.0	12.3	10.8	18.2	16.7	9.4	3.3
Phase II							
Urban	3.3	0.0	5.3	10.0	8.7	19.1	0.0
Urban/suburban	0.0	0.0	2.6	10.0	0.0	9.5	0.0
Urban/suburban rural	0.0	6.7	5.3	30.0	56.5	52.4	100.0
Suburban	0.0	0.0	2.6	0.0	8.7	9.5	0.0
Suburban/rural	16.7	4.0	13.2	0.0	0.0	0.0	0.0
Rural	83.3	74.7	57.9	20.0	4.4	4.8	0.0
Urban/rural	0.0	13.3	10.5	30.0	21.7	4.8	0.0

Note: a. These figures are based on respondents' own designation of their jurisdiction's community type.

jurisdictions with large numbers of unemployed rather than as a bias against rural communities.

In sum, we have found that in making their allocations Local Boards and intermediaries did the following.

- o Both used relatively simple methods to choose providers while using more elaborate strategies for dividing funds among those chosen.
- o There were no major differences between Local Boards and intermediaries in choosing their allocation strategy. The strategy used most often involved establishing a criterion that chosen providers had to meet and evaluating a combination of client need, numbers, and services in order to allocate funds between them.
- o Urban areas more often used a competitive strategy, probably because there were more providers to choose from and because they had more experience using a competitive process. Rural areas more often cited that there was only one provider in the area to be funded.
- o A similar pattern was found when looking at differences by grant size. Where grants were larger competitive strategies were used more often, where they were smaller often only one provider was available.
- o Sixty-three to sixty-four percent of respondents reported that Local Board agencies received half or more of the total allocation. While this is a significant amount, these figures also indicate considerable participation by non-board agencies.
- o Fifty percent of Local Boards and 40 percent of intermediaries reported that half or more of their total allocation went to providers that did not usually receive government grants. This would indicate that many providers not "tied in" to any established funding network benefited from EFSP, particularly those in the National Board program.
- o Generally, rural areas were more likely to fund providers not on the Local Board or that were not usually recipients of government grants. Because urban areas are home to many more providers, not all of whom may have been known to members of the Local Board, the emergency nature of the EFSP may have pushed the Local Board to rely more on known agencies. This "old boy network" approach to distributing EFSP funds should be at least partially corrected by Phase III requirements for more thorough notification of all potential providers.

- o Rural areas were more likely to receive smaller grants, but this reflects the smaller population base in these areas. There were no indications that they received grants less often.

After the Allocation

As a final question pertinent to the allocation process, we looked at what kinds of changes Local Boards or intermediaries had to make in their allocations, following the initial distribution of money. We were concerned with the following issues.

- o Did Local Boards or intermediaries reallocate or return any funds and, if so, what were the reasons for this?
- o National Board data was analyzed to find the extent to which funds were encumbered by provider agencies (i.e., obligated by the deadline but used for services provided after the deadline).
- o Looking at reallocated, returned, or encumbered funds cannot give us a true sense of how efficiently allocations were made. Reallocations or returns could be the result of circumstances out of the control of the board or intermediary agencies. Funds might be encumbered for use during a time when need is greatest. Therefore, we analyzed these variables to get a sense of how smoothly the allocation process operated.

Approximately 70 percent of Local Boards and a similar percentage of intermediaries did not have to reallocate any funds from one provider to another. Approximately 20 of the remaining 30 percent--in both programs--reallocated funds because one or more provider agencies were unable to spend their allocation by the deadline. The other possible reasons posed--that funds were used for ineligible items, used fraudulently, or refused by the provider agency--were relatively unimportant.

The National Board allowed reallocations between food and shelter services without prior permission, and initially allowed reallocations between service providers with prior National Board approval. As the end of the funding periods drew near, however, the Board waived even this prior notification, and asked only to be kept informed of changes as the records

could be kept accurate.

In looking at returned funds (consisting of unclaimed or unencumbered monies, unspent interest or expenditures not accepted by the audit), it should be kept in mind that these amounts are very small (only .8% of total funds in Phase I and 2.2% of total funds in Phase II, according to National Board). There were major differences between programs and between Phases I and II of the National Board program with respect to the return of funds to the national level, nevertheless.

Eighty-four percent of intermediaries reported not returning funds, compared to 60 percent of Phase I Local Boards and 43 percent of Phase II Local Boards. The main reason for returning funds, again, was an inability to spend funds by the deadline. This was a major problem in Phase II when 45 percent of Local Boards reported returning funds for this reason. A possible explanation is that the program duration was much shorter for Phase II than for Phase I, being 12 months for the latter and 5 months for the former. Local Boards had four months for Phase II to spend \$40 million, compared to nine months for Phase I to spend \$50 million. Local Boards also reported returning unused interest (10 to 12 percent) and funds used for ineligible items (5 to 7 percent). It was difficult to find a clear pattern by community type but urban and suburban areas seemed more likely and rural areas less likely to reallocate funds. (Rural areas more often only had one provider, however.) Mixed urban/suburban/rural and suburban/rural areas more often returned funds. Further, under Phase II 80 percent of urban jurisdictions reported returning funds. This may simply reflect the greater number of providers in these urban areas where the probability of one provider having a problem is higher. No clear pattern emerged when looking at reallocations and

returns by allocation strategy.

Using National Board data we calculated the mean percentage of funds encumbered (i.e., not spent but assigned by the end of the period) for food and shelter, respectively. On average approximately 30 percent of the money spent for food has been encumbered, and 20 percent of the money spent for shelter had been encumbered in both phases of the program (see Table A.II.12). No clear pattern emerged by community type, although suburban and suburban/rural areas showed a tendency to encumber fewer funds than other areas. Further, when the mean percentage encumbered was compared between Local Boards using different allocation strategies, those using the competitive (best proposal) method for choosing providers and allocating funds between them showed lower percentages of encumbered funds, at least for food. This is significant since it is more likely that encumbering for shelter may be the result of climate conditions. One reason for this finding may be that those applying for funds competitively more often had to clearly specify (in their proposals) what they intended to do with their funds from the beginning and were therefore more prepared to spend them quickly. However, one would expect those areas relying on a competitive process to reallocate and return funds less often for the same reason, but no clear pattern of this was found (Tables A.II.10 to A.II.13 summarize these data).

In looking at how smoothly things went after the initial allocation, the following factors are of interest:

- o there were more problems with spending all the EFSP funds in Phase II than in Phase I, probably indicating the shorter time frame for spending money in Phase II of the program;

- o the main reason for reallocating or returning funds was an inability on the part of some providers to spend their money on time (in Phase II the shorter time frame seems to have contributed to this difficulty);
- o urban areas more often cited returning funds, but this may reflect the greater number of providers in these areas with a concomitant greater probability of there being at least one provider having some problems;
- o those jurisdictions using a competitive strategy for allocating funds encumbered fewer funds; and
- o an average of 20 to 30 percent of total funds were encumbered and only 1 to 2 percent of total funds were returned.

The Overall Allocation Process

In comparing the National Board and State Programs, we found few differences in what local decision makers did prior to the allocation process. Most did needs assessments and most advertised, although they relied on slightly different statistical sources and on somewhat different advertising methods. Overall, the Local Boards advertised somewhat more than intermediaries in the State Program. Relatively minor differences were found in the criteria employed to allocate funds. Nor were there major differences in the reallocation of funds. Local Boards more often returned unspent funds than did the intermediaries, but intermediaries—as was learned in a previous report⁷—more often continued to spend funds after the program deadline (due to a greater frequency of encumbering funds). Since the intermediaries in our sample were not chosen randomly—coming only from those states that were able to provide us with information on intermediaries used and that, therefore, may have been more accountable—it is difficult to generalize this result to the entire universe of intermediaries. Further, the major difference occurs with

⁷Burbridge, et al., *ibid.*

request in Table II. It would be stated in the narrative.

Differences by community type are more dramatic and appear in the steps taken prior to allocation, with allocation, and after it. Rural areas were less likely to do needs assessments and to advertise. They were also less likely to receive providers and allocate funds competitively. They were less likely to reallocate funds. All of these differences can, in part, be explained by the small size of these areas and the small number of providers able to participate.

Allocating Services to Clients

Some funds were allocated to providers, they in turn processed potential clients for receipt of services. We were interested in how this was done, focusing on the following issues:

- a. Did either providers, intermediaries, or Local Boards require needs testing before providing services to clients?
- b. Was client consent attempted?
- c. What differences were found by community type?

We tried to get a sense of how clients were "chosen" and whether certain "rules" were imposed for providing services. Needs testing (proof of need) was required by Local Boards or their providers in 75 percent of cases and by intermediaries or their providers in 66 percent of cases. Thus Local Boards or their providers appear to have insisted on needs tests somewhat more strenuously than intermediaries or their providers. Although there were some variations in the types of proof, they did not seem to be of great importance. Focusing on differences by community type, mixed urban/suburban/rural and urban/rural areas required needs testing slightly more often, although the reasons for this are not clear (see Tables A-II.14 and A-II.15).

Respondents were also asked if they did any client outreach. Again, few differences were found between the State and National Board Programs (see Table A.II.16). Those stating that they engaged in a great deal of outreach ranged from 45 to 50 percent of the respondents in our three subgroups. Differences by community type were found, however. Overall, suburban/rural, rural, and urban/rural areas more often cited doing a great deal of outreach. This is probably due to the lesser density of population and the greater possibility that potential clients are isolated from services. As with the allocation process, the data show most differences when comparing community types to each other in selecting clients to receive services.

In looking at the allocation of services to clients, we found the following.

- o Means testing was used by a majority of the Local Boards and intermediaries (or by their providers). Means testing was more often found for the National Board Program.
- o From 45 to 50 percent of respondents stated that they did a great deal of client outreach. Few differences were found between programs but, not surprisingly, rural areas were more likely to undertake considerable outreach.

Waivers and Disputes

In our earlier interviews with those involved in the program at the national, regional, and state levels, several problem areas came up. We asked respondents to give a sense of what problems arose in the following areas:

- o requests for waivers to spend money on items disallowed by the guidelines;
- o appeals for funding or additional funding;
- o disputes about the allocation of funding to clients; and
- o cases of fraudulent use of funds.

Respondents were asked which kinds of waivers came up most frequently.

Table II.3 presents their answers. Providers most frequently requested client-related waivers to pay for client utility bills, or for more than one month's rent or mortgage assistance, or for security deposits. Some wanted to use funds for prescription drugs or relocation expenses for transients. They also wanted to use funds for capital equipment—such as freezers, stoves, vans, washers and dryers—and for salaries. All of these were prohibited by EFSP guidelines or legislative mandate.

In looking at waivers "requested" sometimes or often, it could appear that intermediaries were somewhat less likely to receive these requests. This may, however, reflect the fact that the National Board stated in their guidelines a willingness to hear waiver requests. Client-based waivers came up more often, with requests to pay client utility bills or more than one month's rent or mortgage assistance occurring most frequently. The use of funds to pay for security deposits and prescription drugs were also very important. The only nonclient-related waiver request that occurred with some frequency was for capital equipment in food storage and preparation (such as stoves and freezers). Rural, suburban/rural, and urban/rural areas received waiver requests less frequently—whether client-based, food or shelter-related (Table A.II.17). This is surprising since earlier interviews indicated that these areas were often short of capital equipment. However, since these areas had fewer providers, the request frequency may be small even though the need was great.

There are bases for appeal other than waivers, and we inquired about the number and causes of other appeals or disputes. We expected there to be appeals for more funds by those already receiving funds or appeals for some funds by those who did not get any. Complainants might also have maintained

Table II.3

Percentage Saying Waivers Requested (Sometimes or Very Often)

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>Client-based</u>			
No waiver requests	58.9	58.4	64.8
To pay utility bills	16.1	28.8	21.1
More than one month's rent/mortgage	24.2	23.2	18.8
Security deposit	14.8	15.0	14.8
Prescription drugs	11.4	10.7	10.2
Relocation	3.8	3.4	2.3
Other	5.1	5.2	2.3
<u>Food Storage or Food Preparation</u>			
No waiver requests	78.1	77.4	78.9
Equipment (freezers, stoves)	15.0	12.6	8.6
Capital assets (vans, etc.)	5.6	4.8	3.1
Salaries	6.0	5.7	3.9
Other	3.0	1.7	2.3
<u>Shelter-related</u>			
No waiver requests	85.5	83.5	87.5
Equipment (washers, dryers)	3.8	5.2	5.5
Salaries	3.4	3.0	3.9
Other	3.4	2.6	0.0

that funds were not going to the deserving or needy. We also asked if any cases of fraud occurred and what happened in regard to them. Finally, we asked if the board or intermediary had an appeals process and whether it had been used.

Fourteen to seventeen percent of respondents reported having an appeals process (although it was a program requirement) and 5 to 7 percent reported actually having to use it. The largest appeal categories were those of providers receiving some funds who wanted more, followed by those who wanted some money and received none (see Table II.4). Intermediaries in the State Program reported relatively more appeals of these two types being made to them, but fewer complaints about targeting. Unlike the Natural Board Program, there was no requirement in the guidelines of the State Program to have a formal appeals process. The differences between programs were not large, however.

Charges of fraud were brought in 4 to 5 percent of EFSP jurisdictions. (These figures represent any kind of charge, formal or informal. National Board staff report only 13 documented or pending cases that came to their attention.) Half of these led to formal investigations, and prosecutions occurred in no more than one percent of the cases (for Local Boards in Phase I). This is quite remarkable given the possibilities for fraud wherever programs disburse significant amounts of money.

Suburban, rural, and urban/rural areas had the smallest mean number of appeals, probably reflecting the smaller number of providers in these areas. Looking at appeals by allocation strategy, we found a smaller mean number in areas with only one provider and where providers were chosen on the basis of serving clients with the greatest need. Smaller mean numbers of disputes were

Table II.4
 Respondents Saying they Received Disputes
 or Complaints

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
<u>Disputes</u>			
Wanted a larger allocation (% of respondents)	18.1	17.6	22.7
Wanted reconsideration when allocation not received (% of respondents)	13.5	13.5	15.6
Complaints about targeting (% of respondents)	8.9	6.4	4.7
Other	4.2	3.9	3.9
<u>Fraud Cases</u>			
Charges (% of respondents)	4.7	4.3	4.8
Formal investigations required (% of respondents)	2.1	1.7	1.6
Prosecutions (% of respondents)	1.3	.4	0
<u>Did You Have a Appeals Process</u>			
Yes	16.2	17.2	14.4
No	83.8	82.8	85.6
<u>Percent of Local Boards or Intermediaries that used their Appeals Process</u>			
	6.6	6.6	4.8

also found where funds were equally divided among those chosen, or allocated based on the kinds of services provided. It would appear that those strategies producing the fewest disputes were not those used most often (see A.II.18 and A.II.19 for these results).

In sum, the following points can be made about waivers, appeals, and disputes in the first year of the EFSP.

- o Client-based waiver requests were more frequent than those that were specifically food or shelter-related. Requests to pay client utility bills or to provide more than one month's rent or mortgage assistance occurred most often.
- o Intermediaries received fewer waiver requests than Local Boards, but this may reflect differences in wording in the guidelines for the National Board Program and the State Program.
- o The greatest number of appeals came from those providers that had received some funds and wanted more, followed by those who wanted some money and had received none.
- o There were few charges of fraud and even fewer cases that actually resulted in prosecutions.
- o Rural areas tended to have fewer waiver requests and fewer appeals. This may reflect the smaller number of providers in these areas.
- o Those allocation strategies producing the fewest disputes were not those used most often, but such strategies may not be appropriate to areas with many providers.

Chapter Summary

In this chapter we looked at the decision-making process as it was applied to a wide range of issues. While we did find a few differences among programs, Local Boards and intermediaries were remarkably similar in how they conducted their EFSP programs. Differences were more frequently found by community type. We have speculated on various reasons for this pattern throughout this paper--population density, small number of providers, etc.

Looking at our aggregate results, the main points from this chapter are

the following.

- o Most Local Boards and intermediaries did needs assessments and advertised the program before allocating funds.
- o They used simple criteria to choose providers that would receive funds and more sophisticated criteria to decide how to divide funds among providers chosen.
- o Most funds were reallocated or returned because a provider was unable to spend its allocation on time. This was particularly a problem in Phase II of the program because the available time was so short.
- o Most Local Boards and intermediaries had some mechanism for assuring that people receiving services were truly in need, and half of them did a good deal of client outreach.
- o Most waiver requests were for the payment of utility bills or more than one month's rent or mortgage assistance. Most appeals were for more money. Cases of fraud were relatively infrequent.

At this point it is useful to look at other aspects of the program, such as the services provided and administrative issues, to get a sense of whether these factors vary by program or community type. Future community needs will also be explored. Chapters III, IV, and V address these issues.

Chapter III. SERVICES PROVIDED

This chapter identifies the kinds of persons who benefited from the EFSP and the sorts of services provided.

Recipients

State program intermediaries and Local Boards were asked to indicate the major beneficiaries of the EFSP in terms of the types of people receiving the most benefits (see Table III.1). All respondents reported that the long-term unemployed benefited a great deal (in terms of the number of persons benefiting); this was cited by about 63 percent of the respondents in each category. In most cases the long-term unemployed are people who have exhausted their unemployment benefits but still have not found work. The two groups next mentioned as having benefited a great deal were the recently unemployed and female-headed households (about 55 percent of the respondents). Next ranked the elderly (cited by about 29 percent of the respondents) and, in the case of intermediaries, transients (cited by 34 percent). Deinstitutionalized patients were cited as "benefiting a great deal" by only 6 percent of Local Boards and 11 percent of intermediaries. Transients and deinstitutionalized patients were served less in rural areas.

The pattern of beneficiaries is quite similar among intermediaries and Local Boards in both phases except that the intermediaries benefited more transients and deinstitutionalized patients than did the Local Boards. Table III.1 provides details. These data indicate that both programs gave top priority to the two categories of unemployed persons, in line with Congressional intent in establishing the EFSP.

The percentage of recipients receiving public welfare does not differ

Table III.1

Beneficiaries of the EFSP (Percentages)^a

	Percentage That Benefited a Great Deal	Percentage That Benefited Some	Percentage That Did Not Benefit Much	Percentage N/A, Not in Jurisdiction or Not in Need
<u>Intermediaries</u>				
Long-term unemployed	65	25	6	4
Recently unemployed	54	31	10	6
Transients	34	25	24	18
Deinstitutionalized patients	11	20	31	38
Elderly	27	44	23	7
Female-headed households	58	31	7	4
Other	9	3	—	88
Other	2	—	1	98
<u>Local Boards, Phase I</u>				
Long-term unemployed	63	29	4	4
Recently unemployed	55	34	7	4
Transients	16	30	31	23
Deinstitutionalized patients	5	17	33	44
Elderly	27	48	20	4
Female-headed households	52	37	7	3
Other	10	5	1	84
Other	2	—	—	97
<u>Local Boards, Phase II</u>				
Long-term unemployed	63	27	7	3
Recently unemployed	53	37	7	3
Transients	16	33	32	19
Deinstitutionalized patients	6	18	34	42
Elderly	31	46	19	4
Female-headed households	56	35	6	3
Other	10	4	3	83
Other	2	1	—	97

NOTE: a. Percentages do not add to 100 as multiple responses were permitted.

such by program. About 12 percent of respondents in each program reported that one fourth or fewer of their recipients were welfare clients. About 20 percent of respondents said that between one fourth and one half of their recipients received welfare. About 25 percent of respondents claimed that between half and three fourths of their recipients received welfare and 10 percent asserted that over three-fourths of their recipients received welfare. Many EFSP recipients received EFSP services while waiting for their welfare application to be processed. EFSP thus served as an emergency support for many people until people could begin to use other public programs.

In each program, about 12 to 15 percent of the respondents reported that public welfare officials were concerned that receipt of EFSP services would affect their clients' eligibility for public welfare funds. However, this was not a serious matter for most; only 2 to 3 percent reported "great" concern.

Types of Service

Three-fourths of the respondents (74 to 80 percent) in each program reported that direct service providers gave out food vouchers. The next most popular service was rental assistance, cited by 70 to 72 percent of the respondents. Food banks were reported by 61 to 75 percent of the respondents. Shelters ranked next, (56 to 63 percent) followed by housing voucher programs (55 to 58 percent). Mass feedings/food kitchens were reported by 34 to 45 percent of respondents and meals on wheels programs by only 3 to 13 percent (Table III-2).

Some variations were found by community type. Not surprisingly, mass feedings and shelters were more common in urban areas. Rural areas were also less likely to provide housing vouchers or rental assistance, perhaps because more people own their homes in these areas. Suburban areas used food vouchers

Table III.2
 EFSP Services Provided (Percentages)^a

	State	Local Board Phase I	Local Board Phase II
Mass feedings/food kitchens	45	34	43
Meals on wheels	9	9	13
Food voucher programs	74	79	80
Food banks	61	69	75
Shelters	63	56	61
Housing voucher programs	55	56	58
Rental assistance	70	74	72
Other services	18	14	16

NOTE: a. Percentages do not add to 100 as multiple responses were permitted.

less often, although the reasons for this are not clear (see Table A.III.1 in the appendix for details).

The following represent the major findings for this section:

- o sixty-three percent of all respondents reported the long-term unemployed as having benefited a great deal from the EFSP;
- o the two groups next mentioned as having benefited a great deal, were the recently unemployed and female-headed households;
- o intermediaries and Local Boards (both phases) are quite similar in their rank ordering of EFSP beneficiaries;
- o the three programs do not differ much in terms of the percentage of EFSP recipients on welfare;
- o three-fourths of all respondents reported that their direct service providers gave out food vouchers;
- o the next most popular services were rental assistance services and food banks;
- o intermediaries and Local Boards in Phase II provided a greater variety of services than did Local Boards in Phase I; and
- o mass feedings and shelters were provided more in the urbanized areas, food vouchers less often in suburban areas, and housing vouchers and rental assistance less often in rural areas.

A greater variety of services were provided by intermediaries and by Local Boards in Phase II than by Local Boards in Phase I. In general, intermediaries and Phase II Local Boards were similar in the extent of services provided, except for food banks (14 percent more of Phase II Local Boards asserted that their direct service providers had provided food bank services) and food vouchers (6 percent more Phase II Local Boards reported provision of food vouchers). Over 90 percent of respondents in all three programs (intermediaries, Phase I Local Boards, and Phase II Local Boards) said their direct service providers provided more than one service under EFSP.

The findings of this chapter indicate that both programs focused heavily on the primary targets of Congressional concern--the recent and long-term

unemployed. The increase in food banks during Phase II implies that some communities were more able to establish services requiring more coordination (like food banks) in Phase II, when they had had more experience with the program and more time to create appropriate service mechanisms.

Chapter IV. IMPACT ON THE COMMUNITY

To assist several questions about EFSF coordination with other assistance programs and the nature of EFSF impact on the community. In earlier interviews comments were made that the program had produced a greater interaction among service providers and among the private and public sectors, resulting in greater coordination of activities within communities. In this Section we explore:

- a coordination with federal assistance programs by Local Boards and intermediaries;
- b coordination and interaction with other providers in the community;
- c coordination and interaction with public officials; and
- d overall community support.

Over 71 percent of respondents in all programs State Program Intermediaries, Phase I and II Local Boards, reported EFSF coordination with state or local assistance programs. About 41 percent reported coordination with U.S. Department of Agriculture surplus commodities program. About 15 percent said they tried to coordinate EFSF activities with federal energy assistance programs. Only about 23 percent reported coordination with job training or employment assistance programs. Intermediaries and Phase I and II Local Boards did not differ much in the extent of EFSF coordination with these assistance programs (Table IV.1).

Over 81 percent of respondents in all programs reported that the activity begun by the EFSF increased the interaction among service providers in the area; about 57 percent reported that there was definitely more interaction. The programs did not differ appreciably in the interaction among local service providers resulting from the EFSF.

Table IV.1
 Coordination With Assistance Programs (Percentages) ^a

	State	Local Board Phase I	Local Board Phase II
Energy assistance	39	32	35
Surplus commodities	66	63	63
Public assistance	70	76	76
Job training	22	23	23
Other	13	11	10

NOTE: a. Percentages do not add to 100 as multiple responses were permitted.

Respondents were also asked whether the EFSP stimulated increased interaction among private voluntary organizations and public officials. Seventy-eight to eighty percent of respondents reported increased interaction, with 47 percent reporting "definitely more interaction". The three programs did not differ appreciably in the interaction generated by the EFSP between the private and public sectors.

About 32 percent of respondents asserted that networks had been formed as a result of EFSP activities that could prove helpful in dealing with community activities unrelated to EFSP. About 38 percent thought such networks had probably been formed. In fact, about 40 percent of the respondents reported that community organizations, including churches and synagogues, previously rather uninvolved with food and shelter programs had definitely become active in these areas because of the EFSP. An additional 29 percent thought such mobilization of new organizations had probably occurred as a result of the EFSP. All programs exhibited similar amounts of network formation and mobilization to provide food and shelter of hitherto uninvolved agencies.

A higher percentage of Local Boards than intermediaries reported that the community had been more supportive of the EFSP than of other federal assistance programs: 59 to 60 percent of Local Boards reported more community support as compared to 50 percent of intermediaries (Table A.VI.1 in the appendix). Over 82 percent of respondents in all three programs had found local welfare agencies supportive of the EFSP (60 percent said they had been "very" supportive). The programs did not differ in their assessment of support from local welfare agencies.

In summary, EFSP activities were coordinated with public assistance programs and supported by local public welfare agencies and by the

community. The EFSP resulted in increased interaction among area service providers and between public and private sector agencies. Networks of organizations were formed as a result of mobilizing the EFSP and previously uninvolved agencies. Intermediaries and Local Boards in both Phases I and II reported very similar patterns of interaction and community support.

These results verify the feeling of those on the national and state level that the EFSP led to a greater interaction among providers within a community and between the public and private sectors. We found:

- o a significant proportion of respondents coordinated their EFSP programs with the Department of Agriculture's Surplus Commodities Program;
- o most of the respondents felt that the EFSP led to a greater interaction among providers in the community and that new networks had been or probably had been formed as a result;
- o approximately half of all respondents felt that the EFSP had elicited more community support than other federal programs; and
- o most respondents reported that greater interaction with public officials had resulted from the program and that public welfare agencies had been supportive.

Thus, the EFSP succeeded in stimulating a significant amount of community mobilization, which will leave an important legacy to local communities in the form of knowledge of, contact with and cooperation among public and private agencies and organizations. Evidence from direct service providers, however, suggests that this improvement in community networks did not usually extend to providing financial support for continuing EFSP services once EFSP funding expired.⁸ Most direct service providers reported the need to stop extra

⁸Surber, M.; L. Burbridge; A. Millar; T. Goodis; M. Colocci; T. van Houten; and M. Burt, "An Evaluation of the Emergency Food and Shelter Program: Direct Service Providers," Urban Institute Project Report, Washington, D.C., January 1985.

services once they had used up their EFSP allocation. This pattern and the data in Appendix tables A.I.2 and A.I.3 on continuing service needs strongly suggest the continued need for a program like the EFSP.

Chapter V. ADMINISTRATION

The legislation for the Emergency Food and Shelter Program allowed participants to use no more than 2 percent of the total EFSP appropriation for administrative costs. FEMA allowed state agencies participating in the State Program to use one percent. An additional one percent was allowed to intermediaries and/or direct service providers to alay their administrative expenses. For Phase I, United Way of America, as the fiscal agent and secretariat for the National Board, waived all costs (and absorbed over \$300,000 in administrative costs) and the National Board encouraged Local Boards to do the same. For Phase II, United Way of America could no longer afford to waive administrative costs and the National Board awarded one percent of the allocation to the secretariat, to be divided equally for administrative expenses and for the costs involved in evaluating the program.

The evaluation of the EFSP at the national, regional, and state levels identified the insufficiency of the administrative cost allowance as a major operational problem for Local Boards, State Program intermediaries, and direct service providers in both programs. In interviews, National Board members and staff were in general agreement that although one percent was enough for costs incurred at the national level, 3 to 5 percent might be needed at the local level.⁹ A related concern was how intermediaries and Local Boards had been able to absorb any excess administrative costs. (Parallel information on direct service providers is described in our third report.¹⁰)

⁹Burbridge et al., "An Evaluation of the Emergency Food and Shelter Program," November 1984.

¹⁰Surber, et al. 1985.

We therefore asked Local Boards and intermediaries:

- o how adequately the administrative cost allowance covered their actual expenditures;
- o how severely they were affected by problems, if any, in paying for administrative costs;
- o how they absorbed excess administrative costs; and
- o what they usually charged for their indirect cost rate and whether this rate would have been sufficient to cover the administrative costs encountered in EFSP.

A second administrative issue--albeit a lesser one--identified during the national, regional, and state level evaluation was confusion about program guidelines. We therefore asked Local Boards and intermediaries to comment on the clarity of the guidelines provided by FEMA and the National Board.

This chapter presents findings from our survey of Local Boards and intermediaries on the four issues just articulated. For each topic we first present data for the Phase I State Program. Next we discuss both phases of the National Board Program, identifying differences, if any, between the two. Finally, for Phase I we compare the State Program and the National Board Program. This structure differs somewhat from that used in the rest of this report. Since the major difference between the two programs lay in their administration, it seemed appropriate to highlight these differences where they were important.¹¹

¹¹The number of respondents to the questionnaire varied by question (see Chapter 2). However, because of missing answers on several questions, a maximum of 407 responded to the administration questions (126 respondents participating in the State Program; 183 participating in both Phase I and II of the National Board Program; 52 participating only in Phase I of the National Board Program; and 58 participating in only Phase II of the National Board Program).

Availability and Sufficiency of Administrative Funds

Congress allowed a maximum of two percent of total EFSP appropriations for administration. Three levels of the National Board Program and five levels of the State Program had to share this administrative allowance. In Phase I, the National Board, and FEMA national and regional levels (of the State Program) did not take any administrative reimbursement, leaving Local Boards and direct service providers (in the National Board Program) and State agencies, intermediaries and direct service providers (in the State Program) to split the administrative allocation. In Phase II the National Board took one percent, leaving one percent to divide among Local Boards and providers.

A major concern was whether the amount received covered necessary program administration expenses. We were also interested in learning how this amount compared to usual charges for indirect costs and how much participants felt they actually needed to cover their costs.

The State Program. On the average, the intermediaries in the State Program reported that they were allowed to spend .79 percent of their appropriation on administrative costs. Thirty-one percent said that they did not receive any allowance for administrative costs, 59 percent got one percent, and 10 percent got two percent (see Table V.1).¹² Only 27 percent felt that these allowable percentages were sufficient (see Table V.2). They would have preferred, on the average, a 6 percent administrative cost allowance.

¹²The question was, "What percentage of your EFSP appropriation were you allowed to spend on administrative costs?" The question, however, appears to have been misunderstood by some respondents since 4 percent indicated that their allowance exceeded the maximum 2 percent. They may have been referring to actual costs. We have therefore deleted these few responses from this portion of the analysis.

Table V.1
Reported EFSP Administrative Cost Allowances^a

Type of Participant/ Percentage Allowed for Administrative Costs	Phase I		Phase II	
	Number	Percentage	Number	Percentage
<u>State Program Intermediaries</u>				
Zero percent	34	31		
One percent	66	59		
Two percent	<u>11</u>	<u>10</u>		
Total	111	100		
<u>Local Boards Participating in Both Phases I and II</u>				
Zero percent	51	30	47	28
One percent	56	33	84	30
Two percent	<u>63</u>	<u>37</u>	<u>37</u>	<u>22</u>
Total	170	100	168	100
<u>Local Boards Participating in Phase I Only</u>				
Zero percent	19	40		
One percent	6	12		
Two percent	<u>23</u>	<u>48</u>		
Total	48	100		
<u>Local Boards Participating in Phase II Only</u>				
Zero percent			13	28
One percent			30	63
Two percent			<u>3</u>	<u>6</u>
Total			46	100
<u>All Local Boards</u>				
Zero percent	70	32	60	28
One percent	62	28	114	53
Two percent	<u>86</u>	<u>39</u>	<u>40</u>	<u>19</u>
Total	218	100	214	100
<u>Total Local Boards and Intermediaries</u>				
Zero percent	104	32	60	28
One percent	128	39	114	53
Two percent	<u>97</u>	<u>29</u>	<u>40</u>	<u>19</u>
Total	329	100	214	100

NOTE: a. Under the National Board Program, jurisdictions had the option of using 2 percent in Phase I or 1 percent for Phase II, but local Boards and providers were urged to waive administrative costs which is why zero percent is often cited. This does not represent what was actually needed or expended for administration.

Table V.2
Percentage of Participants that Considered
Administrative Costs to be Sufficient (%)

	Sufficient	Not Sufficient
State Program Intermediaries (n = 117)	27	73
Local Boards—Phase I (n = 218)	42	58
Local Boards—Phase II (n = 211)	36	64

This desired allowance was less than their average usual indirect cost rate of 9.7 percent. Not all intermediaries reported having a usual indirect cost rate. Eighty-three respondents reported a rate that ranged from zero to 35 percent (eight agencies reported a zero percentage rate). An additional 12 respondents volunteered that they had no usual rate.

The National Board Program. On the average, Local Boards reported that they or their local service providers spent 1.07 percent of their appropriation on administrative costs during Phase I and .9 percent during Phase II. For Phase I, 32 percent said that they did not receive any allowance, 28 percent got one percent, and 39 percent got two percent. For Phase II, 26 percent did not get an allowance, 53 percent received one percent, and 19 percent said that they got two percent. Those that received no administrative cost allowance may have waived it, as the National Board suggested during Phase I.

Table V.1 gives reported indirect cost allowances for agencies serving on the Local Boards, providing a breakdown by Local Boards that participated in both phases from those that participated in only one phase. Table V.1 reveals a number of differences:

- o more Phase-I-only respondents had zero or two percent administrative cost allowances (40 and 48 percent, respectively) than did Phase II Local Boards (which could only spend a maximum of 1 percent) or Phase I Local Boards that also participated in Phase II;
- o conversely, a greater proportion of Phase-II-only participants (65 percent) reported one percent rates.

This percentage also reflects the increase (from 33 to 50 percent) in those taking only one percent rates among Phase II respondents that had also participated in Phase I. The one percent rate came about when, for Phase II, the National Board took 1 percent for administrative costs and their

evaluation rather than passing it on to Local Boards and direct service providers as had been done for Phase I.

The responses reported in Table V.1 implicitly reveal some confusion about allowable administrative costs on the part of Local Boards. According to National Board Program staff, in Phase II all Local Boards and their direct service providers were held to a maximum of one percent administrative costs, yet 19 percent of Local Board respondents to our survey report that they were allowed two percent. National Board fiscal records are very clear that no Phase II Local Boards or their direct service providers received more than one percent in administrative costs.

Several things might explain this discrepancy. Local Boards that participated in Phase I, when they might have received two percent, and also in Phase II may not have been clear about the change in allowable administrative costs. This interpretation is supported by data in Table V.1 that shows far fewer Phase-II-only Local Boards (6 percent) reporting 2 percent allowable administrative costs than Local Boards who participated in both phases (22 percent).

Another possibility is that some Local Boards simply never fully understood the guidelines and regulations on allowable administrative costs. Their capacity for highly precise cost accounting may not have equaled their abilities to deliver services. The impressions of National Board staff with the responsibility for monitoring administrative expenditures support this interpretation as well. It may be that the auditing and accountancy standards expected of agencies who usually receive government grants are not within either the capabilities or priorities of many of the small, voluntary service providers who participated in the EFSP.

The number of Local Boards that expressed dissatisfaction with their administrative cost allowance increased, not surprisingly, from 58 percent for Phase I to 64 percent for Phase II (see Table V.2). Averaging their recommended ceilings, we found a preference that 4.85 percent of total funding be allocated to administrative expenses.

This recommended rate amounted to about half of their usual indirect cost rates that averaged 9.5 percent ranging from zero to 50 percent (nine Local Boards reported a usual zero percent rate). An additional 25 respondents volunteered that their agencies have no regular indirect cost rate. Ninety percent felt their usual rate would have sufficed and, in fact, 54 percent indicated that they could have covered EFSP administrative costs with less than their usual rates.

Comparison Within Phase I Between the Local Boards and the State Program Intermediaries. In comparing Phase I Local Board participants and State Program intermediaries, we noted: (see Tables V.1 and V.2):

- o among Local Boards, only one-third report a one percent administrative cost allowance, significantly fewer than the 59 percent of intermediaries that got a one percent allowance.
- o more than one-third of the Local Boards (37 percent) received a 2 percent allowance, but only 10 percent of the intermediaries got this much; this undoubtedly reflects the fact that during Phase I United Way of America waived its one percent allowance and passed this rate on to the Local Boards; and
- o a similar proportion of intermediaries and Local Boards (30 and 31 percent) report receiving no money for administrative expenses during Phase I.

Conclusion. The questions in this section were asked in order to determine whether the one percent administrative cost ceiling was too low. Respondents clearly indicate that for most of them it was not enough:

- o 67 percent said that their allowance was not enough; the greatest dissatisfaction was expressed by State Program

intermediaries (73 percent were dissatisfied versus 61 percent of Local Boards) but intermediaries got less, on the average, than Phase I Local Boards;

- o respondents felt that an administrative cost of 5 to 6 percent was needed (this was more than the 3 to 5 percent estimated by National Board members and staff.¹³)

Severity of Administrative Cost Problems and Methods Used to Absorb Problematic Expenses

As the administrative cost allowance did not appear to adequately cover expenses, we asked Local Boards and intermediaries to indicate which of the following cost items presented major, moderate, or minor problems: professional staff time, clerical staff time, transportation to service provider sites, supplies, xeroxing, telephone, and postage. We also asked them to tell us how important the contributions of volunteer staff were in helping to absorb problematic costs and whether they were able to use other funds available to the organization or to raise added or matching funds.

The State Program. Fifty-eight percent of the intermediaries encountered some problems in paying administrative expenses. In general, the least problematic cost item was supplies. Only 18 percent experienced major or moderate problems in paying for EFSP supplies. All other cost items presented major or moderate problems to at least one-fifth of intermediaries, while clerical and professional staff time presented major or moderate problems to at least one-third of the intermediaries (see Table V.3).

CAP agencies had particular difficulties in covering clerical and professional staff time; only 29 percent of CAP agencies experienced no problems at all with these items as compared to over 60 percent of the public

¹³Burbridge et al., "An Evaluation of the Emergency Food and Shelter Program," November 1984.

Table 1.3
Percentage of Participants in the
Special Administrative Class (SAC)
Program by Job or Position Category

	Basic Program Participants 1970-71	Phase I Local Branch 1971-72	Phase II Local Branch 1972-73	Total 1970-73
Professional staff time	36	23	13	23
Clerical staff time	38	31	30	32
Postage	23	23	21	21
Printing	21	9	11	11
Telephone	25	21	18	18
Supplies	18	17	16	17
Transportation	23	21	11	13

agencies and 70 percent of the private agencies serving as intermediaries. In fact, overall CAP agencies reported considerably more problems than did other intermediaries.

Very few intermediaries relied on raising additional or matching funds to pay for these problematic costs. Only 9 percent of intermediaries rated this approach as somewhat or very important (see Table V.4). Private agencies were the least likely to use this approach.

Intermediaries in the State Program were most likely to use other funds available to the organization. This method was rated somewhat or very important by 71 percent of intermediaries. It was used most frequently by CAPs and least often by other private agencies.

Slightly less than half of the intermediaries (49 percent) rated contributions by volunteer staff as somewhat or very important. Not surprisingly, this method was favored most by private agencies serving as intermediaries and least by public agencies.

The National Board Program. Fifty-five percent of Local Boards experienced some problem paying for specific administrative costs. The most problematic item was the cost of professional staff time, which caused major or moderate problems to one-third of the Local Boards. The cost of clerical staff time was also problematic, although somewhat less so (30 percent of the Local Boards considered it a major or moderate problem).

Postage, xeroxing, and telephone costs presented a major or moderate problem for 18 to 24 percent of Local Boards. There was little discernible difference in problem severity for any of these costs between Phases I and II. For both phases, also, the least problematic costs were supplies and transportation. These cost items were rated major or moderate problems by 10

Table V.4
Percentage of Participants to Whom Specific
Methods of Absorbing Problematic Administrative
Costs Were Somewhat or Very Important

	State Program Intermediaries (n=121)	Phase I Local Boards (n=224)	Phase II Local Boards (n=224)	Total (n=569)
Using contributions by volunteers	49	70	67	64
Using other funds available to agency	71	65	67	67
Raising additional funds	13	9	7	9

to 17 percent of Local Boards (see Table V.3).

To cover these problematic costs, Local Boards relied on two types of resources: the contributions of volunteers and other agency funds. There was a slight difference there in that for Phase I, 70 percent of Local Boards noted the contributions of volunteers as very important, compared to 67 percent for Phase II. For each phase, the least important method was "raising added or matching funds;" only 8 percent rated this as somewhat or very important (see Table V.4).

Comparison Within Phase I Between the National Board and the State Program. When we compared Local Boards and intermediaries during Phase I on the difficulty they had in paying for various administrative costs, we found (see Table V.3):

- o Local Boards had somewhat fewer problems absorbing clerical costs; 30 percent considered it a major or moderate problem compared to 38 percent of the intermediaries;
- o transportation was considered to be a major or moderate problem by only 11 percent of the Local Boards, whereas it presented a major or moderate problem to 23 percent of the intermediaries; and
- o telephone costs too were slightly more problematic to intermediaries than to Local Boards; 25 percent rated it as a major or moderate problem as compared to 19 percent of the Local Boards.

The greater problems encountered by intermediaries in paying for transportation and telephone costs may result from the fact that a number of agencies serving as intermediaries in the State Program covered large multi-county areas.

In comparing Phase I Local Boards and intermediaries on method used to pay for problematic costs, we found (see Table V.4):

- o Local Boards assigned a far greater importance to the contributions of volunteers (rated somewhat or very important by 70 percent) than did intermediaries (49 percent rated this as somewhat or very important); and
- o while all participants considered raising additional funds to be the least important method, there was an important difference between intermediaries and Local Boards; 13 percent of intermediaries said that raising additional funds was somewhat or very important as opposed to 9 percent of Local Boards.

Conclusions. Responses to the questions on problematic costs and methods used to pay for them confirm the earlier finding that for the majority of intermediaries and Local Boards, the administrative cost allowances were indeed too low to cover expenses. To sum up, we found that:

- o the cost of professional and clerical staff time caused major or moderate problems to one-third of Local Boards and intermediaries;
- o telephone and transportation costs proved to be major or moderate problems to 23 percent of intermediaries (but only to 11 percent of Local Boards), presumably because of the large areas that were covered by some of these agencies;
- o two-thirds of respondents found that the contributions of volunteers and the use of other agency funds were important resources for absorbing excess administrative costs;
- o State Program intermediaries were the least likely to rely on contributions of volunteers although among intermediaries, other private agencies rated this method more important than did CAPs and public agencies.

Clarity of Guidelines

Because the EFSP operated with considerable speed to distribute funds as soon as Congress made them available, the National Board and FEMA (for the State Program) compiled program documentation and guidelines very quickly. Feedback on the clarity of the guidelines occurred while the program was operating during Phase I, rather than during a period set aside for commenting on program regulations before the program began. Questions about the

guidelines, and participants' need for further clarification, might be expected under these circumstances. However, they would be expected to lessen during Phase II, both because many agencies would have prior experience with the program and because the guidelines issued for Phase II benefited in precision of wording from the feedback during Phase I.

We asked Local Boards and intermediaries how easy it was to understand the guidelines and whether they needed to seek clarification from FEMA, their State Program, or from the National Board. The responses to these questions are analyzed first for the State Program intermediaries, then for Local Boards in both phases of the EFSP, and finally for Phase I Local Boards and intermediaries.

The State Program. Half of the intermediaries (50 percent) felt that the regulations were clear. Twenty percent found the regulations sufficiently difficult to understand that further clarifications were needed. Although the remaining 30 percent had difficulty understanding the regulations, they did not feel they needed additional clarification (see Table V.5).

Slightly more private agencies--of whom many presumably are less used to government regulations--needed further clarification: 37 percent of other private agencies versus 29 percent of CAPs and public agencies. However, CAPs and other private agencies did not differ in the proportion that found the regulations clear (45 and 43 percent, respectively). Public agencies found the regulations "clear" more often (64 percent) than other intermediaries.

The National Board Program. Local Boards appeared to find the regulations clearer the second time around. During Phase I, 52 percent found the regulations clear, as compared to 57 percent during Phase II. Also,

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Table G.5
Country of UNRWA Registrations

	Phase I Registration (1949)	Phase II Local Records (1950)	Phase III Local Records (1951)	Total (1949-51)
Registrations were clear	20	32	57	109
Registrations were difficult to understand but classifications were not needed	20	28	30	78
Classifications were needed and requested	30	30	32	92

during Phase I 30 percent needed further clarification as compared to only 22 percent during Phase II (see Table V.5).

Not surprisingly, therefore, 93 percent of the respondents that participated in both phases of the National Board Program reported that they found the program easier to administer for Phase II. Eighty-six percent found that the revisions and clarifications added to the National Board's plan for Phase II made the guidelines easier to understand.

Comparison Within Phase I Between the National Board Program and the State Program. Table V.5 illustrates the lack of difference between Local Boards and intermediaries in their understanding of the program guidelines.

Conclusion. This section addressed the issue of whether program guidelines were clear and whether participants required further clarification during the course of EFSP operations. We found that:

- o overall guidelines were clear to slightly more than half of the participants and were slightly more so to Phase II participants (57 percent of whom said that they were clear);
- o during Phase I, 30 percent of both Local Boards and intermediaries required further clarification of the guidelines, but during Phase II, only 22 percent of the participating Local Boards required such assistance;
- o the overwhelming majority (93 percent) of Phase II participants that had also participated in Phase I found the program easier to administer the second time around.

Chapter Summary

The State Program and National Board Program differed most in their administrative structures, so we might expect to see the greatest differences emerge between them on administrative issues. However, it is also true that the biggest differences were at the national and state levels, and that at the local level approximately half the intermediaries also served on Local Boards

and an equal proportion of Local Board agencies served as intermediaries. This amount of overlap in the two programs at the local level implies that their views of program requirements may be quite similar.

Summarizing EFSP participants' views on selected issues in program administration, we found the following.

- Phase I Local Boards were most likely to perceive allowable administrative costs as sufficient (42 percent). Phase II Local Boards came next (36 percent) and State Program intermediaries, who got less on the average, were least satisfied with allowable costs for administration (27 percent).
- The average administrative cost for normal agency operations, among both Local Boards and intermediaries that had a "usual overhead or indirect cost" rate, was 9.6 percent. All respondents felt they could easily have met EFSP costs with this rate.
- Most respondents in both programs thought 4 to 6 percent would cover their administrative costs—a figure less than their own "usual rate" but considerably higher than EFSP allowed.
- Fifty-eight percent of intermediaries and 55 percent of Local Boards reported difficulties in meeting excess administrative costs.
- Professional and clerical staff time posed the greatest problems. Transportation was a problem for intermediaries more than for Local Boards, possibly because they often had responsibility for larger geographical regions.
- To compensate for excess administrative costs, more than two-thirds of Local Boards used volunteers, while only half of the intermediaries did so. Participants from both programs relied to the same degree (65 to 71 percent) on using other funds available to their agency. Very few from either program raised additional or matching funds. This means that Local Boards and intermediaries actually subsidized the EFSP with their own funds originally earmarked for other purposes.
- About half of the participants in both programs thought the program guidelines were clear. Thirty percent of Phase I participants—both Local Boards and intermediaries—were sufficiently confused that they sought clarification of the guidelines.

- o Phase II Local Boards reported greater guideline clarity, both because the guidelines had been modified and because they had Phase I experience to call on.
- o Almost all the Local Boards that received money in both Phase I and Phase II thought administration was easier in Phase II.

We conclude that for most aspects of administration, participants in the State Program and National Board Program reported quite comparable results. Exceptions were the level of satisfaction with administrative cost allowances and the use of volunteers to absorb their excess costs. Intermediaries were less satisfied with allowable costs, but it must be remembered that they had less to work with in Phase I than Local Boards since the State Program took one percent for their own administrative expenses whereas the National Board did not. Phase II Local Board attitudes about administrative expenses more closely approximate the attitudes of intermediaries, quite possibly because their fiscal circumstances in Phase II more closely paralleled those of intermediaries in the State Program.

Congress and others interested in the EFSP should note that their concern that agencies would use EFSP funds to substitute for other money are wholly unfounded. On the contrary, many agencies actually subsidized EFSP from their own resources to compensate for inadequate administrative cost allowances. While this may appear noble in the short run, no service agency can afford to continue this practice for very long. Indeed, some respondents commented that continued inadequate administrative costs would discourage local agency participation. Since Congress appears to be continuing EFSP appropriations, stabilizing the program with reasonable allowances for administration would seem to be an important program modification.

VI. SUMMARY AND CONCLUSIONS

This is the second of three reports undertaken in our evaluation of the Emergency Food and Shelter Program. It was based upon a survey sent to 500 Local Boards involved in the National Board Program and 255 intermediaries involved in the State Program. Altogether 418 questionnaires were returned representing a response rate of over 50 percent. The Local Boards responding to the survey were very similar to the total universe of Local Boards in terms of community type and expenditure of funds. We were unable to compare our sample of intermediaries to the total available universe as that data was unavailable.

Of particular significance was the high degree of overlap between participants in both programs. Approximately half of the intermediary agencies in the State Program that had responded had also served on the Local Board in their jurisdiction. A similar percentage of Local Board agencies responding to the survey had been intermediary agencies in the State Program. It is not surprising, therefore, that the programs were very similar in many respects. Local Boards and intermediaries used similar strategies for allocating funds to providers and requested the same kinds of proofs of income from clients. (Local Boards and their agencies more often asked for proof, however.) We found few differences in the extent to which client outreach was pursued or in the types of services offered in comparing Local Boards and intermediaries. In looking at the kinds of clients respondents most often cited as benefiting from EFSP, those from either program were in agreement about the top three: the long-term unemployed, the recently unemployed, and female-headed households. Both programs served a similar percentage of

welfare recipients as well. Respondents from both programs agreed as to the extent which the EFSP led to greater interaction among providers and promoted greater public/private cooperation. Finally, most respondents were in agreement that more should be allowed for administration, with 5 to 6 percent being cited most often.

There were differences between the two programs, however. State Program intermediaries more often cited transients and deinstitutionalized patients as in need of services and, not surprisingly, as beneficiaries of EFSP services. They less often used data relevant to the newly unemployed in their needs assessments, although they were just as likely to undertake these assessments. They did not advertise as extensively as Local Boards, although they did advertise as often. Not surprisingly, under the National Board Program, funds were more often given to private voluntary organizations that were not usually recipients of government grants under the National Board Program. National Board Program agencies were also more likely to draw on volunteers to cover costs not allowed in the EFSP, but were less likely to have access to internal funds or to do fund raising in order to meet their expenses. National Board agencies were more likely to return unspent funds (although the amount was small) and more likely to receive waiver requests (although the kinds of requests were very similar in both programs). State Program agencies received less for administrative costs and more often cited them as insufficient. They also found that expenses for transportation and telephone were difficult to meet more often, which may reflect the fact that many were multicounty agencies.

Some differences were also found by community type. Rural areas were

less likely to conduct needs assessments or to advertise. They were less likely to use a competitive allocation process but were also less likely to have to reallocate funds. They were more likely to fund providers not serving on the Local Board or that were not usually recipients of government grants. They conducted greater client outreach and had fewer waiver requests or appeals. They were less likely to use mass shelters, congregate feedings, and rental assistance in the provision of services. Most of these differences can be explained by the fact that rural areas served small but dispersed populations and had fewer available providers.

The differences between the State Program and the National Board Program require a variety of explanations. The lower percentage allowable for administration and the greater dissatisfaction with the administrative allowance was more than likely a result of the fact that the states took one of the two percent available, while in Phase I a full two percent could have been taken by providers in the National Board Program (although many waived this amount). This has even greater implications if one considers the position of providers in the State Program, many of whom--according to our earlier report--did not receive any administrative funds. By the time the state got its share and the intermediary its share, little was left for providers. This would suggest that the existence of too many administrative layers could prove detrimental to the providers of services--and, therefore, to the program--if each layer can make a claim to the limited funds.

A few of the differences between the State Program and the National Board Program can be explained by differences in guidelines. Local Boards were explicitly required to advertise, which may explain why they did it more

extensively. The National Board also opened the door for waiver requests, which may explain the greater number that were found for this program.

The fact that the State Program was run by public agencies and the National Board Program by a board composed of private nonprofit agencies may explain some of the other differences. For example, it was not surprising that intermediaries chosen by the states—many of whom were CAPs—less often allocated funds to agencies that were not usually recipients of government funding and less tied into funding networks with which these intermediaries were already familiar. It was not unexpected that volunteers were used more often by National Board-funded agencies. Private nonprofits were already quite familiar with the use of volunteer labor.

In looking at commonalities that have run throughout this evaluation, it should first be noted that those we interviewed or sent questionnaires were very partisan about the program they preferred. Those involved in the State Program at all levels—national, state, and local—preferred the State Program; those involved in the National Board Program preferred that program. Those in the State Program felt that they were better able to target those in need. Those in the National Board Program felt that they were better able to get out the funds faster. To a certain extent the final determination of which was "best" depends on the intent of Congress. For example, State Program agencies more often targeted and served deinstitutionalized patients and transients, persons that are hard to target using national data. However, the Local Boards, judging from their needs assessments, were more often concerned about targeting the "newly unemployed" when looking at local data, any way. Overall, the impact of these differences in approach appear to be

small when considering that in general the same kinds of clients were served in both programs.

Another important issue that came up throughout this evaluation is that a significant number of beneficiaries of this program were families. This belies the notion that the majority of persons receiving aid outside of the welfare system are single men with alcohol- and drug-related problems. There is strong confirmation from all of our reports that either the public welfare system is not meeting the needs of families that qualify for aid or are not meeting them quickly enough requiring stop gap aid, or that there is a significant proportion of families not qualifying that still do need aid.

The major concerns about the program that are common to all phases of the evaluation were the short timeline, the low administrative cost allowance, and the band-aid nature of the program. The last is probably the greatest challenge to policy makers, for ultimately it has to be decided whether there is a temporary need for food and shelter services or whether it is an ongoing problem, as many provider agencies insist.

Finally, it must be emphasized that—in spite of whatever problems they had or complaints that they made—there was an overwhelming positive feeling expressed toward the program by those interviewed and sent questionnaires. Most felt that the need was great and that some portion of the need was met by the EFSP. In spite of concerns about short timelines and low administrative cost allowances, a tremendous enthusiasm about the program could be found among those at the national, state, local, and provider levels.

APPENDIX

A1

Table A.I.1

Community Descriptions (Percentages)

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
Large ghetto/poverty areas	19	19	20
Dispersed pockets of poverty	52	55	52
Attractive to transients	23	27	38
Laid-off workers	76	78	61
Other	7	9	11

NOTE: a. Percentages do not add to 100 because of multiple responses.

Table A.1.2
Groups With Ongoing Needs

	<u>Local Boards</u>		<u>Intermediary Organisations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>Percentage With Great Need</u>	65	61	63
Long-term unemployed	30	34	34
Recently unemployed	17	19	29
Transients	14	15	24
Deinstitutionalized patients	36	34	30
Elderly	46	49	57
Female-headed households	7	10	9
Other, category 1	2	2	3
Other, category 2			
<u>Percentage With Fair Need</u>			
Long-term unemployed	23	25	20
Recently unemployed	47	47	45
Transients	27	31	30
Deinstitutionalized patients	21	23	25
Elderly	41	41	42
Female-headed households	36	35	30
Other, category 1	4	3	2
Other, category 2	--	--	--
<u>Percentage With Little Need</u>			
Long-term unemployed	7	9	11
Recently unemployed	15	12	15
Transients	34	33	26
Deinstitutionalized patients	34	34	29
Elderly	19	20	20
Female-headed households	10	11	7
Other, category 1	1	--	--
Other, category 2	--	--	--
<u>Percentage With No Need</u>			
Long-term unemployed	4	5	5
Recently unemployed	7	6	6
Transients	21	17	14
Deinstitutionalized patients	30	28	22
Elderly	3	5	7
Female-headed households	6	5	6
Other, category 1	89	86	89
Other, category 2	98	97	97

NOTE: a. Percentages do not add to 100 because of multiple responses.

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Table A.I.3
Needed Services

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>Percentage With Great Need</u>			
Food kitchens/vouchers/banks	73	76	73
Meals on wheels	28	30	45
Shelters/housing vouchers	49	54	67
Rental/mortgage assistance	53	57	61
Energy assistance	63	65	64
Medical assistance	49	47	58
Clothing	14	15	15
Relocation assistance	11	12	20
Other	6	9	5
<u>Percentage With Fair Need</u>			
Food kitchens/vouchers/banks	19	18	19
Meals on wheels	38	38	30
Shelters/housing vouchers	26	26	22
Rental/mortgage assistance	28	27	25
Energy assistance	27	26	26
Medical assistance	34	33	30
Clothing	43	44	37
Relocation assistance	21	23	23
Other	1	1	2
<u>Percentage With Little Need</u>			
Food kitchens/vouchers/banks	5	5	4
Meals on wheels	15	15	12
Shelters/housing vouchers	19	14	8
Rental/mortgage assistance	11	11	9
Energy assistance	5	6	5
Medical assistance	10	13	5
Clothing	28	28	35
Relocation assistance	40	42	33
Other	—	—	—
<u>Percentage With No Need</u>			
Food kitchens/vouchers/banks	3	2	2
Meals on wheels	18	17	13
Shelters/housing vouchers	7	6	3
Rental/mortgage assistance	7	5	5
Energy assistance	5	3	4
Medical assistance	7	6	7
Clothing	14	14	13
Relocation assistance	28	24	24
Other	93	90	98

NOTE: a. Percentages do not add to 100 because of multiple responses.

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Table A-II-1

Percentage of Local Boards Doing Needs Assessments,
By Community Type

	Local Boards		Intermediate Agencies
	Phase I	Phase II ^a	
Total	80.5	78.0	79.1
Urban	78.0	81.3	81.8
Urban/suburban	100.0	85.6	100.0
Urban/suburban/rural	85.6	88.0	90.5
Suburban	75.0	71.6	80.0
Suburban/rural	85.7	84.6	100.0
Rural	76.7	76.0	70.7
Urban/rural	81.5	70.0	75.0

NOTE: a. Including those saying they did a needs assessment under Phase I.

Table A-II.2

Percentage Using Needs Assessment Data Bases

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>Sources of Data</u>			
Federal statistics	23.9	24.3	19.8
State statistics	42.6	38.7	37.6
City/county statistics	64.9	59.7	69.3
Service statistics	61.2	67.4	70.3
Public hearings	10.6	8.3	11.9
Informal discussions	87.2	86.7	82.2
Other	18.6	14.9	13.9
<u>Kinds of Information</u>			
Unemployment rates or numbers	67.4	64.2	49.0
Waiting lists	66.3	64.8	62.7
Poverty indices	33.7	35.8	34.3
Homelessness estimates	28.9	32.4	38.2
Health/mortality statistics	7.9	5.6	5.9
Plant or mine closings	44.7	41.3	27.5
Exhaustion of UI	49.5	46.9	27.5
Availability of services	78.4	83.2	81.4
Other	12.1	11.2	11.9

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Table A.II.3

Percentage of Local Boards/Intermediaries Advertising,
by Community Type

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
Total	94.5	92.7	92.1
Urban	100.0	100.0	90.0
Urban/suburban	100.0	100.0	83.3
Urban/suburban/rural	97.9	96.1	90.5
Suburban	87.5	85.7	60.0
Suburban/rural	93.3	100.0	100.0
Rural	92.2	88.5	94.7
Urban/rural	100.0	100.0	95.0

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Table A.II.4

Advertising Methods Used (Percentages)

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
Did not advertise	5.5	7.3	7.9
Letters/telephone	61.9	58.8	55.9
Contacted media	77.6	76.1	56.7
Notices in newsletters, etc.	41.9	36.1	33.1
Word of mouth	67.8	63.1	61.4
Other	11.9	10.7	11.8

Table A-II.5

How Providers Were Chosen and How Much They Received
(Percentages)

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>How Providers Were Chosen</u>			
Those with best proposals	15.7	18.0	16.9
Met established criteria	35.3	32.0	22.6
Every provider applying	21.3	19.7	25.8
Only one could provide	18.7	14.9	17.7
Those showing greatest need	5.5	10.5	10.5
Other	3.4	4.8	6.5
<u>How Much</u>			
Divided equally	7.3	8.3	5.6
Combination of need, number and services	47.8	48.9	60.5
Expected number of clients	13.4	12.2	8.9
Kinds of services offering	15.5	17.0	9.7
Competitive	3.9	2.2	1.6
Other	12.1	11.4	13.7

Table A.II.6
 How Chosen and How Allocated, By Community Type
 (Average Percentage for Local Boards in Phases I and II, and Intermediaries)

How Chosen	Urban	Urban/ Suburban	Urban/ Suburban/ Rural	Suburban	Suburban/ Rural	Rural	Urban/ Rural
Best proposal	34.5	24.2	22.2	29.3	14.0	10.6	15.3
Established criteria	33.7	34.5	42.9	8.9	13.7	25.3	32.6
Every provider	30.2	26.2	16.1	31.2	22.9	27.0	28.4
Only one provider	0.0	0.0	.7	17.3	16.7	30.3	12.5
Greatest need	10.7	15.1	14.9	6.7	12.4	5.3	5.8
Other	2.2	0.0	3.2	6.7	2.6	6.5	5.3
<u>Amount Allocated</u>							
Equally divided	7.2	0.0	2.0	19.8	0.0	9.0	9.6
Combination	37.7	79.4	70.1	41.8	54.9	39.8	56.4
Client numbers	18.5	0.0	7.0	15.6	17.4	12.7	11.5
Kind of services	12.0	9.5	10.9	16.2	7.0	17.8	10.8
Competition	4.5	5.6	3.4	6.7	7.0	1.2	0.0
Other	3.0	5.6	6.6	0.0	13.7	19.5	4.9

Table A.11.7
 Percentage of Local Boards Using Each Allocation Strategy for a Given Grant Size

How Chosen	\$5,001- \$15,000		\$15,001- \$25,000		\$25,001- \$50,000		\$50,001- \$100,000		\$100,001- \$500,000		\$500,000+	
	90-95,000											
Best proposal	0.0	12.8	10.6	22.9	15.5	28.0	62.5					
Established criteria	0.0	25.2	21.1	39.5	51.1	48.9	37.5					
Every provider	0.0	15.8	34.2	7.2	21.4	12.8	0.0					
Only one provider	33.3	35.7	15.8	0.0	5.0	0.0	0.0					
Greatest need	0.0	6.8	6.6	11.5	7.2	10.4	0.0					
Other	0.0	3.7	11.9	4.1	0.0	0.0	0.0					
Amount Allocated												
Equally divided	0.0	9.4	4.1	7.1	9.9	0.0	0.0					
Combination	0.0	33.3	44.6	64.6	63.2	70.5	50.0					
Client numbers	25.0	9.4	16.2	11.8	17.1	3.3	37.5					
Kind of services	0.0	23.4	17.6	9.6	7.2	16.0	0.0					
Competition	0.0	2.3	1.4	1.2	2.8	8.0	0.0					
Other	25.0	22.2	16.2	5.7	0.0	2.4	12.5					

All

Table A.II.8

Percentage of Local Boards Giving More Than
50 Percent to Agencies Serving on the Board
By Community Type

	Phase I	Phase II
Total	63.0	64.1
Urban	78.5	69.3
Urban/suburban	42.9	75.0
Urban/suburban/rural	51.0	53.2
Suburban	75.0	75.0
Suburban/rural	76.9	73.3
Rural	66.7	62.5
Urban/rural	65.5	69.2

Table A.II.9

Percentage of Local Boards and Intermediaries Giving
More Than 50 Percent to Voluntary Organizations
Not Usually Receiving Government Grants,
By Community Type

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
Urban	28.6	33.3	20.0
Urban/suburban	25.0	28.6	50.0
Urban/suburban/rural	46.8	49.0	55.0
Suburban	16.7	20.0	0.0
Suburban/rural	64.3	58.3	16.7
Rural	48.2	48.9	40.8
Urban/rural	62.5	65.4	44.4
Total	48.4	49.8	40.3

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Table A-II.10

Percentage of Local Boards or Intermediaries
That had to Reallocate or Return Funds
(Total number of times in parentheses)^a

	Local Boards		Intermediary Organizations
	Phase I	Phase II	
<u>Reallocated Within Jurisdiction</u>			
Agency did not reallocate	70.8	72.7	68.8
Agency could not spend	20.6 (67)	21.6 (66)	23.2 (38)
Agency used for ineligible items	1.3 (3)	.9 (2)	0
Agency used fraudulently	0	0	0
Agency refused funding	2.6 (6)	.9 (2)	4.8 (7)
Other	5.2 (13)	3.0 (10)	1.6 (2)
<u>Returned to National Level</u>			
Did not return	59.7	43.1	83.9
Did not spend	27.9 (79) ^b	43.5 (160) ^b	12.1 (22)
Used for ineligible items	4.7 (12)	7.3 (20)	1.6 (2)
Used fraudulently	.9 (4)	1.3 (3)	0
Refused funding	.9 (2)	.9 (2)	.8 (1)
Unused interest	10.3 (27)	12.5 (33)	2.4 (3)
Other	3.0 (8)	6.9 (21)	3.2 (4)

NOTE: a. The number parentheses is all reported cases in the survey, including multiple cases for a given jurisdiction. The percentages are for each jurisdiction that reported at least one case.

b. This is the minimum number of times.

Table A.11.11
 Percentage of Local Boards Reallocating or Returning Funds,
 By Community Type

	Percentage Reallocating		Percentage Returning	
	Local Boards Phase I	Intermediate Organizations	Local Boards Phase II	Intermediate Organizations
Urban	38.5	45.5	35.7	40.0
Urban/suburban	25.0	33.1	25.0	37.1
Urban/suburban/rural	38.5	47.6	63.8	78.0
Suburban	25.0	60.0	12.5	28.6
Suburban/rural	42.9	50.0	28.7	38.5
Rural	27.0	18.5	31.0	46.7
Urban/rural	19.2	15.0	57.7	63.3

Table A.II.12

Funds Encumbered, By Community Type;
Local Boards Only

	<u>Percent of Food</u> <u>Expenditures Encumbered</u>		<u>Percent of Shelter</u> <u>Expenditures Encumbered</u>	
	Phase I	Phase II	Phase I	Phase II
Urban	33.0	21.8	31.0	16.9
Urban/suburban	28.0	50.4	26.1	48.0
Urban/suburban/rural	28.7	27.6	25.9	13.0
Suburban	17.7	17.5	20.3	14.8
Suburban/rural	13.4	36.6	7.1	13.5
Rural	29.7	35.4	20.3	23.0
Urban/rural	23.7	17.6	15.7	17.5
Total	30.5	27.5	18.9	20.6

Note: On the average, Local Boards encumbered 20-30 percent of total funds. This table should be read as: during Phase I, 30.5% of the total amount spent for food was encumbered; during Phase II, 20.6% of the total amount spent for shelter was encumbered, etc.

Table A.II.13

Mean Percentage Encumbered, By How Chosen and Allocated
Local Boards Only

	<u>Food</u>		<u>Shelter</u>	
	Phase I	Phase II	Phase I	Phase II
<u>How Chosen</u>				
Best proposal	20.4	22.0	12.9	27.1
Established criteria	29.4	28.9	19.1	23.7
Every provider	28.2	28.4	15.3	20.1
Only one provider	33.6	27.0	24.7	17.8
Greatest need	41.0	24.6	22.6	7.8
Other	69.9	38.4	35.1	21.4
<u>How Allocated</u>				
Equally divided	21.1	23.6	24.3	13.6
Combination	26.9	26.4	16.4	17.4
Client numbers	28.6	32.6	19.1	28.7
Kind of services	36.5	29.5	26.7	33.0
Competition	20.6	22.5	24.3	20.9
Other	43.3	22.6	18.7	15.3

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Table A-II.14

Percentage Using Means Testing

	<u>Intermediary Organizations</u>		<u>Local Boards</u>	
	<u>Phase I</u>	<u>Phase II</u>	<u>Phase I</u>	<u>Phase II</u>
<u>Required?</u>				
Yes, Local Board or Intermediary	25.0	21.6	27.3	
Yes, Direct Service Providers	49.5	53.4	39.1	
No	16.1	15.1	22.7	
Don't Know	9.3	9.9	10.9	
<u>What Kinds of Proof</u>				
Cards or certifications from welfare	60.9	57.1	58.8	
Cards or certifications from disability	52.7	48.7	47.1	
References from social service agencies (public and private)	70.2	63.7	60.5	
Proof of income	64.7	59.2	74.1	
Medicare, Medicaid, Senior Citizen	32.0	31.9	24.7	
Other	24.3	20.4	33.3	

Table A-II.15

Percentage of Local Boards and Intermediaries
Saying They or Providers Used Means Testing,
By Community Type

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	Phase I	Phase II	
Urban	78.6	75.0	63.7
Urban/suburban	50.0	57.1	50.0
Urban/suburban/rural	87.3	84.3	80.9
Suburban	75.0	61.4	60.0
Suburban/rural	60.0	69.2	83.4
Rural	69.8	69.5	59.6
Urban/rural	80.8	82.1	70.0

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Table A-II.16

Percentage of Those Local Boards Doing A Great Deal
of Client Outreach, By Community Type

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
Total	50.0	44.4	48.8
Urban	42.9	50.0	45.5
Urban/suburban	50.0	14.3	33.3
Urban/suburban/rural	46.8	41.2	42.9
Suburban	25.0	14.3	0.0
Suburban/rural	60.0	53.9	83.3
Rural	51.3	45.7	48.3
Urban/rural	55.6	56.7	65.0

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Table A-11-17

Percentage of Local Boards and Intermediaries
That Received Waiver Requests Sometime or Often,
By Community Type^a

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>Client Based</u>			
Urban	50.0	56.3	45.5
Urban/suburban	0.0	28.6	50.0
Urban/suburban/rural	56.3	49.0	38.1
Suburban	62.5	71.4	80.0
Suburban/rural	46.7	46.1	50.0
Rural	31.0	35.2	27.6
Urban/rural	51.9	43.3	35.0
<u>Food Storage (or Preparation)</u>			
Urban	28.6	31.3	9.1
Urban/suburban	25.0	42.9	16.7
Urban/suburban/rural	39.6	35.3	28.6
Suburban	25.0	28.6	60.0
Suburban/rural	20.0	7.7	16.7
Rural	16.4	20.0	20.7
Urban/rural	22.2	20.0	20.0
<u>Shelter-related</u>			
Urban	35.7	43.8	27.3
Urban/suburban	25.0	57.1	33.3
Urban/suburban/rural	27.1	29.4	14.3
Suburban	25.0	14.3	40.0
Suburban/rural	13.3	7.7	16.7
Rural	7.8	9.5	6.9
Urban/rural	14.8	10.0	10.0

NOTE: a. Client-based waiver requests were for things such as payment of client utility bills or security deposits for housing. Food and shelter-related waivers were for equipment or personnel costs.

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Table A.II.18

Mean Number of Disputes, By Community Type

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
Urban	1.1	.9	2.2
Urban/suburban	2.5	1.5	1.0
Urban/suburban/rural	2.3	2.1	1.6
Suburban	.3	.3	.6
Suburban/rural	1.0	.4	4.7
Rural	1.1	.9	1.3
Urban/rural	.6	.8	.9

Table A.II.19

Mean Number of Appeals By How Chosen and How Allocated

	<u>Local Boards</u>		<u>Intermediary Organizations</u>
	<u>Phase I</u>	<u>Phase II</u>	
<u>How Chosen</u>			
Best proposal	1.6	1.3	1.5
Established criteria	1.5	1.5	2.6
Every provider	.8	1.4	1.2
Only one provider	.2	.1	1.8
Greatest need	.9	.9	.2
Other	6.5	.2	.3
<u>How Allocated</u>			
Equally divided	.5	.5	.7
Combination	1.6	1.5	1.5
Client numbers	.9	1.2	.3
Kinds of services	.5	.2	.5
Competition	2.1	2.6	.5
Other	1.9	1.0	3.5

Table A.III.1
 Percentage of Jurisdictions of a Particular Community Type
 Offering Different Services

	Urban/		Urban/		Suburban/		Suburban/		Urban/	
	Urban	Suburban	Suburban/	Rural	Suburban	Rural	Rural	Urban/	Rural	Urban/
Mass feedings										
National Board	67	88	69	27	29	19	45			
State	82	100	67	80	33	25	45			
Meals on wheels										
National Board	10	15	17	0	8	8	20			
State	9	17	5	0	0	14	0			
Food vouchers										
National Board	94	73	94	47	62	76	81			
State	73	50	86	40	67	79	75			
Food banks										
National Board	81	86	85	88	68	65	74			
State	35	50	81	40	67	53	70			
Shelter										
National Board	90	100	83	73	33	47	49			
State	100	100	90	60	50	42	70			
Housing vouchers										
National Board	74	72	74	75	51	45	64			
State	45	50	86	20	33	54	50			
Rental Assistance										
National Board	84	79	90	73	61	64	84			
State	82	83	67	40	83	63	90			

Table A.IV.1

Community Support of EFSP as Compared to
Other Federal Assistance Programs (Percentages)

	<u>Local Boards</u>		Intermediary Organizations
	Phase I	Phase II	
Considerably more supportive	28	27	25
Somewhat more supportive	32	32	25
As supportive	36	38	46
Somewhat less supportive	3	2	2
Considerably less supportive	2	1	2

Questionnaires

Emergency Food and Shelter Questionnaire

Local Boards and Other Intermediary Organizations

This questionnaire asks about the operations and impact of the Emergency Food and Shelter Program (EFSP), primarily at the county and local level. We are sending it to a sample of Local Boards and Intermediary Organizations that were responsible for allocating EFSP funds to providers of emergency food and shelter services.

Background

In March 1983, Congress appropriated \$100 million for an emergency food and shelter program. A Senate/House compromise gave half the money (\$50 million) to the Federal Emergency Management Agency (FEMA) to distribute to the states (hereafter called the State Program). The other \$50 million went to a national board of private voluntary organizations (hereafter called the National Board Program).

The state agencies that were responsible for administering the State Program allocated funds either to direct service providers or to intermediary organizations which in turn gave grants to direct service providers.

The National Board Program selected 961 local jurisdictions to receive funding. Local Boards were constituted to allocate funds to the direct service providers within these jurisdictions.

A supplemental appropriation in the fall of 1983 added another \$40 million to the National Board Program. These funds were allocated to Local Boards in 836 jurisdictions. This second allocation will be referred to as Phase II of the EFSP; the first allocation (made in March of 1983) will be called Phase I.

This questionnaire is part of a National Board-funded evaluation of the EFSP. In-person and written surveys of people involved in the national and state level decision-making process have already been completed. A telephone survey of direct service providers will be conducted within the next few months. This questionnaire is directed to Local Boards that were a part of the National Board Program. Your participation is crucial to this effort. Please call Dr. Lynn C. Burbridge at The Urban Institute, (202) 857-8568, if you have any questions. For your convenience, we are attaching a glossary of terms used throughout the questionnaire.

Thank you.

GLOSSARY OF TERMS

FEMA: Federal Emergency Management Agency

EFSP: The Emergency Food and Shelter Program

National Board Program: that portion of the Emergency Food and Shelter Program administered by the National Board.

State Program: that portion of the Emergency Food and Shelter Program administered by the states.

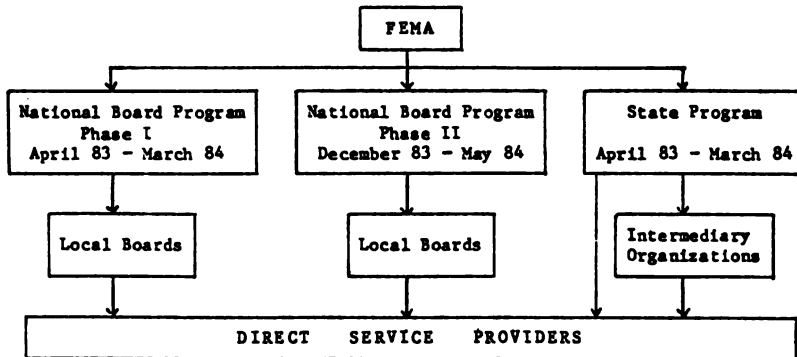
Phase I: the first round of funding for the Emergency Food and Shelter Program covering the period from April 1983 through March 1984. Both the National Board and the states administered programs under Phase I.

Phase II: the second round of funding for the Emergency Food and Shelter Program covering the period from December 1983 through May 1984. Only the National Board allocated funds under Phase II.

Intermediary Organizations: those organizations receiving funds from the states, to distribute in turn to direct service providers. They were a part of the State Program, Phase I.

Direct Service Providers: those organizations that provided the services (food or shelter). They may have received funds from Local Boards, other Intermediary Organizations, or directly from the states.

The following chart shows the various ways that funds were channeled to direct service providers.



Page 3 and 4 for Local Boards

I. ORGANIZATION DESIGNATION

1. PLEASE GIVE THE NAME OF YOUR ORGANIZATION

2. PLEASE PROVIDE NAME, TITLE, ADDRESS, AND TELEPHONE NUMBER OF PERSON COMPLETING THIS QUESTIONNAIRE

Name: _____ Title: _____

Address: _____

City: _____ State: _____

Tel. Number: () _____

<p>NOTE: ALL INFORMATION PROVIDED IN ANSWER TO THIS QUESTIONNAIRE IS CONFIDENTIAL. RESPONSES WILL BE REPORTED IN AGGREGATE FORM ONLY.</p>

3. IN WHICH OF THE FOLLOWING NATIONAL BOARD PROGRAMS DID YOUR LOCAL BOARD PARTICIPATE? (Please check
- all
- that apply):

___ 1. Phase I

___ 2. Phase II

(23)

4. WAS THE ORGANIZATION FOR WHICH YOU WORK ALSO CHOSEN BY THE STATE EFSP PROGRAM TO BE AN INTERMEDIARY ORGANIZATION OR DIRECT SERVICE PROVIDER?

___ 0. No

___ 1. Yes, Intermediary Organization only

___ 2. Yes, Direct Service Provider only

___ 3. Yes, both Intermediary Organization and Direct Service Provider

(24)

<p>PLEASE ANSWER THE REST OF THIS QUESTIONNAIRE <u>ONLY</u> IN YOUR LOCAL BOARD ROLE, <u>NOT</u> IN YOUR STATE PROGRAM ROLE. WE WOULD BE HAPPY TO HAVE YOU WRITE IN COMMENTS ABOUT STATE PROGRAM EXPERIENCES ON PAGE 22.</p>
--

PLEASE ANSWER QUESTIONS IN THE FOLLOWING SECTIONS SEPARATELY FOR PHASE I AND PHASE II. USE THE FIRST COLUMN (LABELED PHASE I) IF YOU RECEIVED PHASE I MONEY FROM THE NATIONAL BOARD PROGRAM. USE THE SECOND COLUMN (LABELED PHASE II) IF YOU RECEIVED PHASE II MONEY FROM THE NATIONAL BOARD.

IF YOU RECEIVED MONEY DURING BOTH PHASE I AND PHASE II, PLEASE ANSWER ALL QUESTIONS FOR PHASE I FIRST. GO THROUGH THE QUESTIONNAIRE AND FILL OUT ALL ANSWERS FOR PHASE I IN THE FIRST COLUMN. THEN COME BACK TO PART II, QUESTION 5 (PAGE 4), AND ANSWER ALL QUESTIONS FOR PHASE II IN THE SECOND COLUMN.

II. THE DECISION-MAKING PROCESS

Allocating Funds to Direct Service Providers

<u>Phase I</u>	<u>Phase II</u>	
_____	_____	5. DID YOU ASSESS COMMUNITY NEEDS BEFORE DETERMINING HOW FUNDS SHOULD BE ALLOCATED?
N/A	_____	1. Yes
(25)	(26)	2. We used the Phase I needs assessment for Phase II
		0. No, we did not assess community needs → Skip to Question 8
_____	_____	6. WHAT SOURCES OF NEEDS ASSESSMENT INFORMATION DID YOU USE FOR THIS ASSESSMENT OF COMMUNITY NEEDS? (Check <u>all</u> that apply.)
(27)	(28)	1. Federal statistics
(29)	(30)	2. State statistics (including public agency data assembled for human services plans or other plans)
(31)	(32)	3. City/county statistics (including public agency data assembled for human service plans or other plans)
(33)	(34)	4. Service statistics (including waiting lists) and special studies from human service non-profit agencies (e.g., United Way, CAP agencies, Travelers Aid)
(35)	(36)	5. Public hearings
(37)	(38)	6. Informally held discussions with knowledgeable people
(39)	(40)	7. Other (describe) _____

Phase I Phase II

7. WHAT KINDS OF INFORMATION DID YOU USE? (Check all that apply):

- | | | |
|------|------|--|
| — | — | 1. Unemployment rates or numbers for different areas or neighborhoods |
| (41) | (42) | |
| — | — | 2. Length of waiting lists, number of persons refused service because no resources, other indicators of current client demand/need |
| (43) | (44) | |
| — | — | 3. Poverty indices for different areas or neighborhoods |
| (45) | (46) | |
| — | — | 4. Homelessness estimates for different areas or neighborhoods |
| (47) | (48) | |
| — | — | 5. Health/mortality statistics for different areas or neighborhoods |
| (49) | (50) | |
| — | — | 6. Plant or mine closings |
| (51) | (52) | |
| — | — | 7. The ending of unemployment insurance for particular groups |
| (53) | (54) | |
| — | — | 8. The availability of shelters, food kitchens, and related services |
| (55) | (56) | |
| — | — | 9. Other (describe) _____ |
| (57) | (58) | |

8. HOW DID YOU ADVERTISE THE EXISTENCE OF FUNDING TO PROSPECTIVE PROVIDERS? (Check all that apply):

- | | | |
|------|------|--|
| — | — | 1. Did not advertise the existence of funding |
| (59) | (60) | |
| — | — | 2. Sent letters or telephoned all established service providers in the area |
| (61) | (62) | |
| — | — | 3. Contacted the media: radio, television and newspapers |
| (63) | (64) | |
| — | — | 4. Placed notices in newsletters, bulletin boards, etc., used by private voluntary organizations |
| (65) | (66) | |
| — | — | 5. Advertised informally, by word of mouth |
| (67) | (68) | |
| — | — | 6. Other (describe) _____ |
| (69) | (70) | |

Phase I Phase II

9. WHICH OF THE FOLLOWING BEST DESCRIBES HOW DIRECT SERVICE PROVIDERS WERE CHOSEN FOR EFSP FUNDS? (Check the one that best describes the process used)

___ ___
 ___ ___
 ___ ___
 ___ ___
 ___ ___
 ___ ___
 (71) (72)

1. Funds went to those providers that submitted the best proposals or plans for using funds
2. Funds went to those providers that were most able to meet an established criterion (other than the certification requirements specified by FEMA and the National Board)
3. Funds went to every direct service provider that applied for money and was certified
4. There was only one direct service provider who could provide the services, so funding went to it
5. Funds went to the providers showing that their clients had the greatest need
6. Other (describe) _____

10. WHICH OF THE FOLLOWING BEST DESCRIBES HOW MUCH DIRECT SERVICE PROVIDERS RECEIVED? (Check the one that best describes the process used)

___ ___
 ___ ___
 ___ ___
 ___ ___
 ___ ___
 ___ ___
 (73) (74)

1. Allocation divided equally among all those chosen
2. Allocation based on a combination of client need, client numbers, and service type
3. Allocation based upon expected number of clients for each provider
4. Allocation based upon the kinds of services provider was offering
5. Funds allocated on a competitive basis, the provider with the best proposal or plan getting the largest allocation
6. Other (describe) _____

11. DID YOU HAVE TO REALLOCATE ANY FUNDS?

___ ___
 ___ ___
 (75) (76)

1. Yes
0. No → Skip to Question 13

Phase I Phase II

- | | | |
|---|---|---|
| <p>_____
(77)</p> <p>_____
(79)</p> <p>_____
(81)</p> <p>_____
(83)</p> <p>_____
(85)</p> | <p>_____
(78)</p> <p>_____
(80)</p> <p>_____
(82)</p> <p>_____
(84)</p> <p>_____
(86)</p> | <p>12. IN HOW MANY CASES DID YOU REALLOCATE FUNDS FOR THE FOLLOWING REASONS? (Put number of times in the appropriate space)</p> <ol style="list-style-type: none"> 1. Provider could not spend or encumber the money by the deadline 2. Provider used funds for ineligible items or services 3. Provider used funds fraudulently 4. Provider refused funding 5. Other (describe) _____ |
|---|---|---|

- | | | |
|-----------------------|-----------------------|--|
| <p>_____
(87)</p> | <p>_____
(88)</p> | <p>13. DID YOU HAVE TO RETURN ANY FUNDS TO THE NATIONAL BOARD?</p> <ol style="list-style-type: none"> 1. Yes 0. No → Skip to Question 15 |
|-----------------------|-----------------------|--|

- | | | |
|---|--|---|
| <p>_____
(89)</p> <p>_____
(91)</p> <p>_____
(93)</p> <p>_____
(95)</p> <p>_____
(97)</p> <p>_____
(99)</p> | <p>_____
(90)</p> <p>_____
(92)</p> <p>_____
(94)</p> <p>_____
(96)</p> <p>_____
(98)</p> <p>_____
(100)</p> | <p>14. IN HOW MANY CASES DID YOU RETURN FUNDS FOR THE FOLLOWING REASONS? (For each reason, enter number of times in the appropriate space)</p> <ol style="list-style-type: none"> 1. Provider did not spend or encumber the money by the deadline 2. Provider had to return funds used for ineligible items or services 3. Provider had to return funds used fraudulently 4. Provider refused funding 5. Unused interest earned on allocation 6. Other (describe) _____ |
|---|--|---|

QUESTION 15 IS FOR LOCAL BOARDS ONLY. IF YOU ARE IN THE "INTERMEDIARY" CATEGORY, GO ON TO QUESTION 16.

Phase I Phase II

15. PLEASE ESTIMATE WHAT PERCENTAGE OF YOUR TOTAL ALLOCATION WENT TO DIRECT SERVICE PROVIDERS THAT HAD REPRESENTATIVES ON YOUR BOARD. (Check only one)
- | | | |
|-------|-------|---------------|
| ___ | ___ | 1. 1% - 25% |
| ___ | ___ | 2. 26% - 50% |
| ___ | ___ | 3. 51% - 75% |
| ___ | ___ | 4. 76% - 100% |
| (101) | (102) | |

16. PLEASE ESTIMATE WHAT PERCENTAGE OF YOUR ALLOCATIONS WENT TO PRIVATE ORGANIZATIONS THAT DO NOT USUALLY RECEIVE GOVERNMENT GRANTS AND CONTRACTS. (Check only one)
- | | | |
|-------|-------|---------------|
| ___ | ___ | 1. 1% - 25% |
| ___ | ___ | 2. 26% - 50% |
| ___ | ___ | 3. 51% - 75% |
| ___ | ___ | 4. 76% - 100% |
| (103) | (104) | |

The Allocation Process--Recipients of Services

17. DID APPLICANTS FOR FOOD AND SHELTER SERVICES HAVE TO UNDERGO A MEANS TEST OR SOME OTHER PROOF OF NEED? (Check only one)
- | | | |
|-------|-------|---|
| ___ | ___ | 1. Yes, we required means testing |
| ___ | ___ | 2. Yes, the direct service providers required means testing |
| ___ | ___ | 3. No means testing was used by us or by the direct service providers |
| ___ | ___ | 4. I do not know whether service providers required means testing |
| (105) | (106) | |
- Skip to Question 19

<u>Phase I</u>	<u>Phase II</u>	
		18. WHAT KINDS OF PROOF DID RECIPIENTS HAVE TO PRODUCE? (Check <u>all</u> that apply)
—	—	1. Cards or certifications provided by public welfare agencies
(107)	(108)	2. Cards or certifications provided by disability or unemployment offices
—	—	3. References from public or private social service agencies
(109)	(110)	4. Some proof of income (checkstubs, letters)
—	—	5. Medicaid/Medicare/senior citizens cards
(111)	(112)	6. Other (describe) _____
—	—	
(113)	(114)	
—	—	
(115)	(116)	
—	—	
(117)	(118)	
		19. IN SOME AREAS THERE MAY HAVE BEEN A NEED FOR SERVICES BUT POTENTIAL CLIENTS MAY NOT HAVE KNOWN ABOUT THEM. IN YOUR OPINION, HOW MUCH EFFORT WAS EXPENDED ON OUTREACH TO POTENTIAL CLIENTS? (Check only one)
—	—	3. A great deal of effort
—	—	2. Some effort
—	—	1. Little effort
—	—	0. No effort
(119)	(120)	

The Allocation Process--Waivers, Appeals, Disputes

Phase I Phase II

20. MANY SERVICE PROVIDERS DISPUTED OR REQUESTED WAIVERS ON INELIGIBLE COST ITEMS. PLEASE RATE EACH OF THE FOLLOWING CLIENT-RELATED WAIVER REQUEST ITEMS (OR DISPUTED INELIGIBLE COST ITEMS), BASED ON THOSE THAT WERE BROUGHT TO YOUR ATTENTION. (3 = requested very often; 2 = requested sometimes; 1 = rarely requested; 0 = never requested)

- | | | |
|------------|------------|---|
| —
(121) | —
(122) | 0. No waiver requests or disputed ineligible cost item was brought to our attention → Go to Question 21 |
| —
(123) | —
(124) | 1. Use of EFSP funds to pay utility bills |
| —
(125) | —
(126) | 2. Use of EFSP funds to pay for more than one month's rent or mortgage assistance |
| —
(127) | —
(128) | 3. Use of EFSP funds to pay for security deposits |
| —
(129) | —
(130) | 4. Use of EFSP funds to pay for prescription drugs |
| —
(131) | —
(132) | 5. Use of EFSP funds to pay for non-employment-related relocation |
| —
(133) | —
(134) | 6. Other (describe) _____ |

21. PLEASE RATE EACH OF THE FOLLOWING FOOD STORAGE OR FOOD PREPARATION WAIVER REQUEST ITEMS (OR DISPUTED INELIGIBLE COST ITEMS) BASED ON THOSE THAT WERE BROUGHT TO YOUR ATTENTION. (3 = requested very often; 2 = requested sometimes; 1 = rarely requested, 0 = never requested)

- | | | |
|------------|------------|---|
| —
(135) | —
(136) | 0. No waiver requests or disputed ineligible cost item was brought to our attention → Go to Question 22 |
| —
(137) | —
(138) | 1. Purchase of equipment such as freezers, stoves |
| —
(139) | —
(140) | 2. Purchase of capital assets, such as vans to deliver meals and mobile facilities to store and distribute food packages |
| —
(141) | —
(142) | 3. Salary or wages of service provision personnel, such as cooks and drivers |
| —
(143) | —
(144) | 4. Other (describe) _____ |

Phase I Phase II

22. PLEASE RATE EACH OF THE FOLLOWING SHELTER-RELATED WAIVER REQUEST ITEMS (OR DISPUTED INELIGIBLE COST ITEMS) BASED ON THOSE THAT WERE BROUGHT TO YOUR ATTENTION. (3 = requested very often; 2 = requested sometimes; 1 = rarely requested, 0 = never requested)
- | | | | |
|-------|-------|---|---|
| — | — | 0. No waiver requests or disputed ineligible cost item was brought to our attention | → Go to Question 23 |
| (145) | (146) | 1. Purchase of equipment such as washers, dryers, hot water heaters | |
| — | — | 2. Salary or wages of service provision personnel, such as custodians | |
| (147) | (148) | 4. Other (describe) _____ | |
| — | — | | |
| (149) | (150) | | |
| — | — | | |
| (151) | (152) | | |
23. THERE MAY ALSO HAVE BEEN DISPUTES ABOUT THE ALLOCATION OF FUNDS. HOW MANY TIMES DID YOU RECEIVE THE FOLLOWING KINDS OF COMPLAINTS? (Place number of complaints in space; if no complaint, place a 0):
- | | | |
|-----------|-----------|---|
| — | — | 1. Direct service providers who had received funds wanting a larger allocation |
| (153-154) | (155-156) | 2. Direct service providers who had not received funds wanting reconsideration for a grant |
| — | — | 3. Complaints by providers or private citizens that funds were not targeted to the most deserving or the most needy |
| (157-158) | (159-160) | 4. Other (describe) _____ |
| — | — | |
| (161-162) | (163-164) | |
| — | — | |
| (165-166) | (167-168) | |
24. WERE THERE ANY CHARGES THAT EITHER DIRECT SERVICE PROVIDERS OR RECIPIENTS OF SERVICES WERE USING FUNDS FRAUDULENTLY?
- | | | |
|-------|-------|---|
| — | — | 1. Yes |
| — | — | 0. No → Skip to Question 27 |
| (169) | (170) | |

Phase I Phase II

- | | | |
|----------------|----------------|---|
| —
(171) | —
(172) | 25. HOW MANY OF THESE CHARGES LED TO A FORMAL INVESTIGATION EITHER BY FEDERAL, STATE, OR LOCAL OFFICIALS? (If none, enter 0) |
| —
(173) | —
(174) | 26. HOW MANY PROSECUTIONS ACTUALLY TOOK PLACE AS A RESULT OF FORMAL INVESTIGATIONS? (If none, enter 0) |
| —
(175) | —
(176) | 27. DID YOU USE A FORMAL (SYSTEMATIC) APPEALS PROCESS TO HEAR WAIVER REQUESTS, DISPUTES, AND COMPLAINTS?
1. Yes
0. No → Skip to Question 29 |
| —
(177-178) | —
(179-180) | 28. HOW OFTEN DID YOU USE IT?

(Please enter number of times you used a formal appeals process.) |

III. ADMINISTRATION AND ADMINISTRATIVE COSTS

- | | | |
|------------|------------|--|
| —
(181) | —
(182) | 29. WHAT PERCENTAGE OF YOUR EFSP APPROPRIATION WERE YOU ALLOWED TO SPEND ON ADMINISTRATIVE COSTS?

(Please enter percentage in appropriate space.) |
| —
(183) | —
(184) | 30. WAS THIS PERCENTAGE ENOUGH TO COVER YOUR ADMINISTRATIVE COSTS?
1. Yes
2. No |

Phase I Phase II

31. PLEASE RATE HOW SEVERE A PROBLEM, IF ANY, YOU HAD PAYING FOR EACH OF THE FOLLOWING ADMINISTRATIVE EXPENSES. (3 = major problem; 2 = moderate problem; 1 = minor problem; 0 = no problem)
- | | | |
|-------|-------|---|
| _____ | _____ | 1. Professional staff time (for instance to monitor contracts with service providers) |
| (185) | (186) | |
| _____ | _____ | 2. Clerical staff time |
| (187) | (188) | |
| _____ | _____ | 3. Transportation to service provider sites |
| (189) | (190) | |
| _____ | _____ | 4. Supplies |
| (191) | (192) | |
| _____ | _____ | 5. Xeroxing |
| (193) | (194) | |
| _____ | _____ | 6. Telephone |
| (195) | (196) | |
| _____ | _____ | 7. Postage |
| (197) | (198) | |
| _____ | _____ | 8. Other (describe) _____ |
| (199) | (200) | |
-
32. PLEASE RATE THE IMPORTANCE OF EACH OF THE FOLLOWING IN HELPING YOU TO ABSORB ANY PROBLEMATIC ADMINISTRATIVE COSTS (4 = very important, 3 = somewhat important, 2 = somewhat unimportant, 1 = very unimportant):
- | | | |
|-------|-------|--|
| _____ | _____ | 1. Contributions of volunteer staff |
| (201) | (202) | |
| _____ | _____ | 2. Using other funds available to the organization |
| (203) | (204) | |
| _____ | _____ | 3. Raising added or matching funds |
| (205) | (206) | |
| _____ | _____ | 4. Other (describe) _____ |
| (207) | (208) | |
-
33. WHAT PERCENTAGE OF TOTAL FUNDING WOULD HAVE BEEN ENOUGH TO COVER THESE ADMINISTRATIVE COSTS?
(Please enter percentage in appropriate space)
- | | |
|-----------|-----------|
| (209-210) | (211-212) |
|-----------|-----------|
-
34. WHAT IS YOUR USUAL INDIRECT COST RATE?
(Please enter percentage.)
- | | |
|-----------|-----------|
| (213-214) | (215-216) |
|-----------|-----------|

- | <u>Phase I</u> | <u>Phase II</u> | |
|---------------------------|---------------------------|--|
| —

(217) | —

(218) | 35. WOULD THIS INDIRECT COST RATE HAVE BEEN ENOUGH TO COVER THE ADMINISTRATIVE COSTS YOU ENCOUNTERED WITH THE EFSP?

1. Yes
2. No |
| —
—
—
—
(219) | —
—
—
—
(220) | 36. WE WOULD LIKE TO KNOW WHAT YOUR BOARD THOUGHT ABOUT THE CLARITY OF THE GUIDELINES PROVIDED BY FEMA AND THE NATIONAL BOARD. (Check only one)

1. The regulations were clear
2. The regulations were difficult to understand but no clarification was required
3. The regulations were difficult to understand and required further clarification from EFSP officials
4. Other (describe) _____ |

ONLY THOSE LOCAL BOARDS INVOLVED IN BOTH PHASE I AND PHASE II, ANSWER QUESTIONS 37 AND 38. ALL OTHER RESPONDENTS, PLEASE SKIP TO QUESTION 39.

- | | | |
|------------|-----------------|---|
| N/A
N/A | —
—
(221) | 37. DID YOU FIND THAT THE PROGRAM WAS EASIER TO ADMINISTER FOR PHASE II, ONCE THE MECHANISMS WERE IN PLACE?

1. Yes
0. No |
| N/A
N/A | —
—
(222) | 38. DID YOU FIND THAT THE REVISIONS AND CLARIFICATIONS ADDED TO THE NATIONAL BOARD'S PLAN FOR PHASE II MADE THE GUIDELINES EASIER TO UNDERSTAND?

1. Yes
0. No |

IV. SERVICES PROVIDED

Phase I Phase II

39. PLEASE RATE EACH OF THE FOLLOWING GROUPS IN TERMS OF THE NUMBER OF PEOPLE RECEIVING THE MOST BENEFITS FROM THE EFSP. (Rate: 0 = not applicable, not in jurisdiction, or not in need; 1 = did not benefit much; 2 = benefited some; 3 = benefited a great deal)

- | | | |
|-------|-------|---------------------------------|
| — | — | 1. Long-term unemployed |
| (223) | (224) | |
| — | — | 2. Recently unemployed |
| (225) | (226) | |
| — | — | 3. Transients |
| (227) | (228) | |
| — | — | 4. Deinstitutionalized patients |
| (229) | (230) | |
| — | — | 5. Elderly |
| (231) | (232) | |
| — | — | 6. Female-headed households |
| (233) | (234) | |
| — | — | 7. Other (specify) _____ |
| (235) | (236) | |
| — | — | 8. Other (specify) _____ |
| (237) | (238) | |

40. WHAT PERCENTAGE OF RECIPIENTS WERE PUBLIC WELFARE CLIENTS? (Check only one)

- | | | |
|-------|-------|---------------|
| — | — | 1. 1% - 25% |
| — | — | 2. 26% - 50% |
| — | — | 3. 51% - 75% |
| — | — | 4. 76% - 100% |
| — | — | o Don't Know |
| (239) | (240) | |

41. WERE PUBLIC WELFARE OFFICIALS CONCERNED THAT RECEIPT OF EFSP SERVICES WOULD AFFECT THEIR CLIENTS' ELIGIBILITY FOR PUBLIC WELFARE FUNDS? (Please check only one)

- | | | |
|-------|-------|--|
| — | — | 2. Yes, this was of <u>great</u> concern |
| — | — | 1. Yes, there was <u>some</u> concern about this |
| — | — | 0. No, this was not a problem |
| (241) | (242) | |

Phase I Phase II

42. WHAT KINDS OF SERVICES WERE PROVIDED BY YOUR DIRECT SERVICE PROVIDERS? (Check all that apply)
- | | | |
|-------|-------|--------------------------------|
| _____ | _____ | 1. Mass feedings/food kitchens |
| (243) | (244) | |
| _____ | _____ | 2. Meals on wheels |
| (245) | (246) | |
| _____ | _____ | 3. Food voucher programs |
| (247) | (248) | |
| _____ | _____ | 4. Food banks |
| (249) | (250) | |
| _____ | _____ | 5. Shelters |
| (251) | (252) | |
| _____ | _____ | 6. Housing voucher programs |
| (253) | (254) | |
| _____ | _____ | 7. Rental assistance |
| (255) | (256) | |
| _____ | _____ | 8. Other (describe) _____ |
| (257) | (258) | |

43. WHICH OF THE FOLLOWING ASSISTANCE PROGRAMS DID YOU TRY TO COORDINATE WITH EFSP ACTIVITIES? (Check all that apply)
- | | | |
|-------|-------|--|
| _____ | _____ | 1. Federal energy assistance |
| (259) | (260) | |
| _____ | _____ | 2. U.S. Depart. of Agriculture surplus commodities program |
| (261) | (262) | |
| _____ | _____ | 3. State or local assistance programs |
| (263) | (264) | |
| _____ | _____ | 4. Job training or employment assistance programs |
| (265) | (266) | |
| _____ | _____ | 4. Other (describe) _____ |
| (267) | (268) | |

THE FOLLOWING QUESTIONS APPLY TO THE OVERALL EFSP PROGRAM AND MAKE NO DISTINCTION BETWEEN PHASE I AND PHASE II.

44. IN YOUR AREA DOES CLIMATE PLAY AN IMPORTANT ROLE IN THE KIND OF SERVICES PROVIDED?
- | | |
|-------|---|
| _____ | 1. Yes |
| _____ | 0. No → Skip to Question 46 |
| (269) | |

45. WHEN DO YOUR CLIENTS MOST NEED EMERGENCY FOOD AND SHELTER PROGRAM FUNDS? (Rank in order of importance; 4 = most important; 1 = least important)

___ 1. Spring
 ___ 2. Summer
 ___ 3. Fall
 ___ 4. Winter

(270)

V. COMMUNITY PROCESS

46. HAS THE ACTIVITY BEGUN BY THE EFSP INCREASED THE INTERACTION AMONG SERVICE PROVIDERS IN YOUR AREA?

___ 4. Definitely yes
 ___ 3. Probably yes
 ___ 2. Not sure
 ___ 1. Probably not
 ___ 0. Definitely not

(271)

47. HAS THE ACTIVITY BEGUN BY THE EFSP INCREASED THE INTERACTION AMONG PRIVATE VOLUNTARY ORGANIZATIONS AND PUBLIC OFFICIALS?

___ 4. Definitely yes
 ___ 3. Probably yes
 ___ 2. Not sure
 ___ 1. Probably not
 ___ 0. Definitely not

(272)

48. HAVE NETWORKS BEEN FORMED AS A RESULT OF THE EFSP THAT MAY BE HELPFUL IN DEALING WITH COMMUNITY ACTIVITIES UNRELATED TO EFSP?

___ 4. Definitely yes
 ___ 3. Probably yes
 ___ 2. Not sure
 ___ 1. Probably not
 ___ 0. Definitely not

(273)

49. HAS THE COMMUNITY BEEN MORE SUPPORTIVE OR LESS SUPPORTIVE OF THE EFSP THAN OF OTHER FEDERAL ASSISTANCE PROGRAMS?

- ___ 5. Considerably more supportive of the EFSP
- ___ 4. Somewhat more supportive
- ___ 3. As supportive
- ___ 2. Somewhat less supportive
- ___ 1. Considerably less supportive

(274)

50. DID COMMUNITY ORGANIZATIONS (INCLUDING CHURCHES AND SYNAGOGUES) THAT HAD LITTLE EXPERIENCE WITH FOOD AND SHELTER PROGRAMS BECOME MORE ACTIVE IN THESE AREAS AS A RESULT OF THE EFSP?

- ___ 4. Definitely yes
- ___ 3. Probably yes
- ___ 2. Not sure
- ___ 1. Probably not
- ___ 0. Definitely not

(275)

51. IN YOUR OPINION, HOW SUPPORTIVE WERE LOCAL WELFARE AGENCIES?

- ___ 5. Very supportive
- ___ 4. Somewhat supportive
- ___ 3. Neither supportive nor unsupportive
- ___ 2. Somewhat unsupportive
- ___ 1. Very unsupportive

(276)

52. WHICH OF THE FOLLOWING DESCRIBE ALL OR PART OF YOUR COMMUNITY OR GEOGRAPHIC AREA? (Check all that apply)

- ___ 1. Urban
(277)
- ___ 2. Suburban
(278)
- ___ 3. Rural
(279)
- ___ 4. Contains large ghetto or poverty areas
(280)
- ___ 5. Contains dispersed pockets of poverty
(281)
- ___ 6. Attractive to large numbers of transients
(282)
- ___ 7. Has large numbers of laid-off workers
(283)
- ___ 8. Other (describe) _____
(284)

VI. UNMET NEEDS

53. PLEASE RATE EACH OF THE FOLLOWING GROUPS IN TERMS OF THEIR ONGOING NEEDS THAT ARE NOT BEING MET BY THE PUBLIC WELFARE AGENCIES OR OTHER GOVERNMENT PROGRAMS IN YOUR AREA? (Rate: 0 = no ongoing need; 1 = a little ongoing need; 2 = a fair amount of ongoing need; 3 = a great deal of ongoing need)

- ___ 1. Long-term unemployed
(285)
- ___ 2. Recently unemployed
(286)
- ___ 3. Transients
(287)
- ___ 4. Deinstitutionalized patients
(288)
- ___ 5. Elderly
(289)
- ___ 6. Female-headed families
(290)
- ___ 7. Other (specify) _____
(291)
- ___ 8. Other (specify) _____
(292)

54. PLEASE RATE EACH OF THE SERVICES THAT CONTINUE TO BE NEEDED (Rate: 0 = no ongoing need; 1 = a little ongoing need; 2 = a fair amount of ongoing need; 3 = a great deal of ongoing need)

- ____ 1. Food kitchens/food voucher programs/food banks
(293)
- ____ 2. Meals on wheels
(294)
- ____ 3. Shelters/housing voucher programs
(295)
- ____ 4. Rental/mortgage assistance
(296)
- ____ 5. Energy assistance
(297)
- ____ 6. Medical assistance
(298)
- ____ 7. Clothing
(299)
- ____ 8. Relocation assistance
(301)
- ____ 9. Other (describe) _____
(303)

As a part of this evaluation, Public Technology Inc. (PTI) will be doing an indepth study of exemplary programs that developed as a result of the Emergency Food and Shelter Program. They will determine what kinds of service delivery strategies may be useful models for organizations involved in providing emergency food and shelter and disseminate this information to these various organizations.

55. ARE THERE ANY EXEMPLARY PROGRAMS CONDUCTED BY DIRECT SERVICE PROVIDER ORGANIZATIONS THAT YOU KNOW OF THAT MAY PROVIDE MODELS FOR OTHER ORGANIZATIONS INTERESTED IN PROVIDING EMERGENCY FOOD AND SHELTER IN THE FUTURE? IF SO, COULD YOU GIVE US THEIR NAMES AND ADDRESSES SO PTI CAN CONTACT THEM?

VII. OTHER COMMENTS

If you have other comments or clarifications regarding this questionnaire about the EFSP, please use this space (or attach extra pages) to provide them. We welcome and encourage your input.

AN EVALUATION OF THE
EMERGENCY FOOD AND SHELTER PROGRAM:
DIRECT SERVICE PROVIDERS

January 1985



**THE URBAN
INSTITUTE**

2100 M Street, N.W.
Washington, D.C. 20037

Project Report

1653

AN EVALUATION OF THE
EMERGENCY FOOD AND SHELTER PROGRAM:
DIRECT SERVICE PROVIDERS

January 1985

By

Monica Surber
Lynn Burbridge
Annie Millar
Tracy Goodis
Michele Colocci
Therese van Houten
Martha Burt

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GLOSSARY OF TERMS

FEMA: Federal Emergency Management Agency

EFSP: The Emergency Food and Shelter Program

National Board Program: that portion of the Emergency Food and Shelter Program administered by the National Board.

State Program: that portion of the Emergency Food and Shelter Program administered by the states.

Phase I: the first round of funding for the Emergency Food and Shelter Program covering the period from April 1983 through March 1984. Both the National Board and the states administered programs under Phase I.

Phase II: the second round of funding for the Emergency Food and Shelter Program covering the period from December 1983 through May 1984. Only the National Board allocated funds under Phase II.

Intermediary Organizations: those organizations receiving funds from the states, to distribute in turn to direct service providers. They were a part of the State Program, Phase I.

Direct Service Providers (or Service Providers): those organizations that provided the services (food or shelter). They may have received funds from Local Boards, other Intermediary Organizations, or directly from the states.

EXECUTIVE SUMMARYHistory of the EESP

The Emergency Rent and Shelter Program (EESP) was signed into law in March of 1953. It provided \$100 million in supplemental on-going fund and shelter services in response to deteriorating economic conditions. A major source of concern was an increase in the number of those who previously had been without rent or government assistance, the so-called "net gain." Speed in getting the money out was a priority given the emergency nature of the situation.

Half the money was distributed through the states and the other half through a National Board composed of representatives from six private voluntary organizations and a government representative. Money was distributed as rapidly by the National Board Program—in cooperation to the State Program—that an additional \$40 million was appropriated for that program in November of 1953. August 1954 saw a third appropriation, this time for \$70 million. The State Program received its share after the first EESP appropriation.

This report is the third in a series of three reports on the EESP, covering the period in which the first \$100 million (Phase I) and the supplemental \$40 million (Phase II) were spent. The first report covered the operations of the program at the national, regional, and state levels. A second report focused on local boards and intermediary organizations involved in the program. This report reviews the program from the perspective of the direct service providers.

The Urban Institute conducted interviews with 101 providers across the country that received EFSP funding from the State Program, the National Board Program, and both programs, as well as providers who did not receive EFSP funds. However, in order to ensure that certain types of providers were in the sample, selection was not random and generalization should be made with caution. The sample was stratified to include providers that were National Board funded, State Program funded, large and established, small and locally-based, refusers of funds in the second round of funding and non-recipients of funds. Interview questions concerned the allocation process used to get EFSP funds to the providers, program guideline clarity and flexibility, who was served with the money, types of services, the cost of the program to the providers, and a host of related issues.

Highlights of Results

Population Served

- o The persons served varied, but the "new poor" were cited as primary clients by many of the providers. Further, while many clients were also on the welfare rolls providers stated that often they were providing stopgap aid until first-time recipients were deemed eligible to receive welfare services. Thus, the legislative intent behind the program—to address emergency food and shelter needs resulting from the recession—was met. The recently unemployed, many of whom were not familiar with the welfare system prior to the recession, were able to find aid through EFSP programs.
- o Respondents also stated that families were served more often than individuals. This verifies the claim made by providers that those seeking aid from nonprofits no longer fit the traditional profile of single men with alcohol or drug related problems. Somehow families have been falling into the cracks in the welfare system.

services

- o Providers used funds for a variety of services, and generally provided more than one type of service. Some differences between providers were evident. The larger, National Board-funded, private voluntary organizations were more likely to provide rental or mortgage assistance. The state-funded organizations and smaller, National Board-funded, private voluntary organizations were more likely to focus on food provision shelter and short-term housing vouchers. It can be argued that the larger providers in our sample more often had the resources available to undertake the extensive certification procedures necessary to verify need for rental or mortgage assistance.
- o Existing provider screening criteria were generally used to establish EFSP eligibility. However unless EFSP providers in a particular community made a concerted effort to coordinate their activities, there was no way to ensure that some clients did not receive duplicate services. Because of the emergency nature of the program, advance planning was often difficult to do. This was of particular concern to smaller providers who found nonduplication of services hard to enforce given the lack of time administrative funds, and staff. Larger providers and/or those funded by the states did not report this to be as much of a problem. As problems arose the National Board did issue "Fraud Alerts" to give providers suggestions how to deal with them.

fairness

- o For the most part, providers from both programs were satisfied with the fairness of the allocation process and the opportunity given to all capable providers to participate.
- o Providers expressed some sentiment that larger agencies were favored but also acknowledged that they were more able to absorb the costs associated with administering the program.
- o Several rural providers felt the program favored urban areas, in that rural areas were required to have a higher rate of unemployment to qualify for National Board funds and that the guidelines for both programs encouraged congregate provision of services which was less feasible in rural areas. An analysis of National Board data indicates that areas with very small populations were less likely to be funded, but this can in part be explained by the difficulty encountered in finding providers in these areas. Further, as the program was designed to reach the greatest number of unemployed some bias is to be

expected. On average 57 percent of the communities served had populations of 50,000 or less or about 18 percent less than the total number of communities that size.

Timing

- o The timeline for providing services was an important issue in several respects. First, there were differences in the dates providers reported for receiving authorization to begin spending funds. The states—as was discussed in the first report on the EFSP—were much slower in getting their funds out to the provider level. Sixty-three percent of the state funded agencies responding to our question on timing stated that they did not receive authorization to begin providing services until September or later. Only one (1.8 percent) of the National Board (Phase I) funded agencies in our sample had been sent their first check as late as September. Seventy-one percent had received a first check no later than June.
- o Second, almost all providers found the lack of time for spending the money a constraint. It prevented better planning, coordination, and efficient use of the money by emphasizing the speed in which it was spent rather than the way in which it was spent. However, some of this was unavoidable given the emergency nature of the program. The providers did have the option of adjusting their program plans to meet the problems that arose but our survey was unable to tell us how many had actually done so. (National Board staff indicated that many providers did, in fact, take advantage of this flexibility.)

Administration

- o Allowance for administrative costs was a major issue of concern for providers. Only 19 percent felt the 1 to 2 percent allowed for this purpose was enough to cover costs, while 41 percent did not feel it was enough. Twenty-eight percent—primarily the state-funded providers—did not have the one percent passed on to them, although in many cases they were allowed to use Community Service Block Grant funds for EFSP-related costs. A majority of the providers suggested 3 to 5 percent as an adequate allowance for administration. Some hedged their willingness to participate again if more funds for administration were not allowed.
- o Most providers did not feel their other programs had suffered from resources being devoted to the EFSP, although staff burn-out was frequently cited as a problem. In fact, some stated that their programs were enhanced. However, many viewed EFSP

demands on their organizations as short-term. The sentiment was frequently expressed that the program was an emergency effort not one to be sustained continuously, and that they were glad to be able to provide the services even if it meant working harder or for longer hours. A minority did feel their added responsibilities had harmed other programs, especially among providers who stated they would not participate again if the program were repeated.

- o Guidelines for the program were brief and clear for most providers. Problems were encountered most often regarding the definition of terms. Local Boards and states or state intermediaries were almost unanimously reported to be helpful in clarifying areas of concern. Providers receiving both Phase I and II National Board monies thought the guidelines were easier to understand and the program easier to implement the second time around.

Exemplary Programs

- o Some programs operated more successfully than others. An important element thought to contribute to success included coordination between providers in eligibility screening or in centralization of administrative tasks. There appeared to be little relationship between provider type and the development of exemplary or innovative strategies to provide services.

Future Needs

- o Among direct service providers, shelter led the list of services most needed in the future, although food and employment were often mentioned as important needs. (In a survey of Local Boards and State Program intermediary agencies--the results of which are contained in our third report--food services were more often cited, however).
- o Frequent reports of having to turn clients away due to lack of funds underscored the continuing demand providers faced. Further, many providers found that outreach efforts were unnecessary given the overwhelming demand for services already in existence.
- o Few felt that welfare agencies would be able to meet the needs in their communities, although they make an effort. Federal funding was considered a necessity by most, but opinions were split on whether it should be provided on an emergency or a continuous basis.

- o Despite the critical comments, almost all would gladly help in any future efforts. Providers were overwhelmingly supportive of this program.

Long-term Benefits

- o The increased cooperation between provider agencies and with local government officials that resulted from the EFSP, was often cited as a benefit extending beyond the life of program funds. Less encouraging was the degree to which providers felt the EFSP had increased overall community awareness and action to alleviate the problems of the poor and homeless. Less than half saw an increase in community action resulting from the program and few providers were able to maintain the expanded services provided by the EFSP once the money was spent. The networks that developed among providers as the result of the EFSP, however, were seen as an important product of the program that would be beneficial in solving community problems that may arise in the future.

Finally, it must be noted that the EFSP was an experiment in private-public cooperation. All evidence suggests that it was a success in this regard. Many providers spoke of increased interaction with government officials. Further, interactions between public and private participants were seldom described as anything less than cordial and supportive. Therefore, the Emergency Food and Shelter Program may prove a useful model for public-private ventures in the future.

I. INTRODUCTION AND BACKGROUND

Introduction

On March 24, 1983 the president signed Public Law 98-8, referred to as the "Jobs Stimulus Bill." One provision in this legislation mandated programs to give emergency food and shelter assistance for the needy, including the distribution of surplus food commodities and the establishment of an Emergency Food and Shelter Program (EFSP). The Emergency Food and Shelter Program continues to receive funding from Congress even though the monies originally appropriated have been disbursed. In November of 1983 and again in August of 1984, Congress appropriated additional funds to this program. What had originally begun as a temporary, emergency program, therefore, has begun to take on a life all of its own.

This report on EFSP service providers is the third of three reports prepared as part of an evaluation of the program as it operated through July 1984. The first report looks at the operations of the program on the national and state levels. The second report focuses on the substate or local level. This report reviews the EFSP from the perspective of the providers—those agencies and organizations that dispensed EFSP-funded services directly to the clients. Sections in this report discuss:

- o the process used to allocate funds from the state or Local Board to the provider;
- o the populations served and types of services provided;
- o provider views on program guidelines and reporting requirements;
- o the cost of the EFSP to the providers;
- o EFSP integration with other programs; and

- o future community needs and suggestions for improving any similar programs that might be mandated.

A final section presents several in depth examples of providers with exemplary programs.

Background¹

In early 1983, emergency legislation to provide food and shelter services for the needy, many of whom were identified as the "new poor," was introduced by both houses of Congress as part of a jobs package program. A House version called for the establishment of a National Board to distribute \$50 million. The board was to consist of representatives from the Salvation Army, the American Red Cross, the National Conference of Catholic Charities, the Council of Jewish Federations, the National Council of Churches, and United Way of America, with a representative of the Federal Emergency Management Agency (FEMA) as the chair. The Senate version of the bill had \$50 million being disbursed through FEMA to the states. In a House/Senate compromise, \$100 million was allocated for an Emergency Food and Shelter Program; half of which was to be disbursed by the National Board (the National Board Program), the other half by the states (the State Program). FEMA supervised both programs. The bill was signed by President Reagan on March 24, 1983.

The National Board Program was so successful in disbursing and using its monies—spending it much more rapidly than the states—that in November

¹For a more complete description of the EFSP see "An Evaluation of the Emergency Food and Shelter Program: National, Regional and State Level Analysis," Urban Institute Project Report, November 1984.

of 1983 Congress appropriated another \$40 million to their program (but not to the State Program). Public Law 98-151, signed on November 14, 1983, provided \$10 million in supplemental funding and Public Law 98-181, signed on November 30, 1983, provided another \$30 million. The expenditure of this \$40 million will be referred to as Phase II of the Emergency Food and Shelter Program, while the earlier appropriation will be referred to as Phase I. On August 22, 1984, Public Law 98-396 was signed allocating another \$70 million to the National Board.

This report covers Phase I and Phase II of the Emergency Food and Shelter Program—that part enacted in the original legislation plus the supplemental appropriations enacted in November of 1983. The following flow chart (Chart 1) shows how the allocation decisions were made for the State Program and the National Board Program under Phase I, and the National Board Program under Phase II.

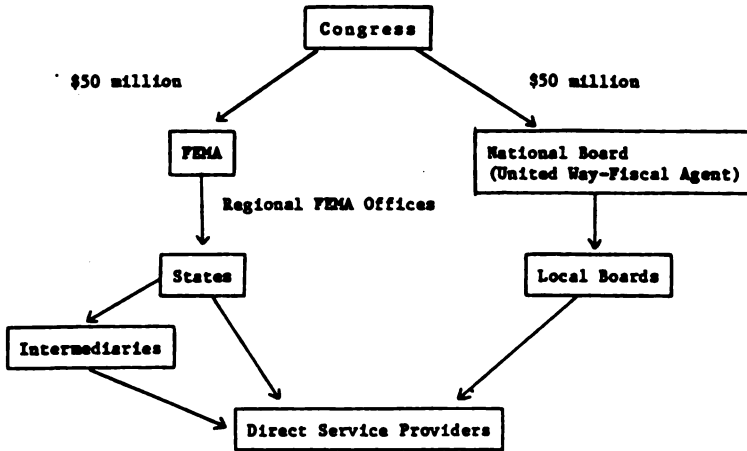
FEMA was designated as the lead federal agency with responsibilities to both the National Board Program and the State Program. It allocated money to the states using the Community Services Block Grant formula and supervised the State Program. A FEMA representative also served as chair of the National Board. United Way of America handled the administration of the program.

Under the State Program during Phase I, FEMA allocated \$50 million to the 50 states, Puerto Rico, American Samoa, Guam, Virgin Islands, the Trust Territories, and the Mariana Islands using the Community Services Block Grant formula. The states allocated their funds directly to areas where they felt there was the greatest need. Funds either went to providers of food and shelter services or to intermediaries designated by the states to

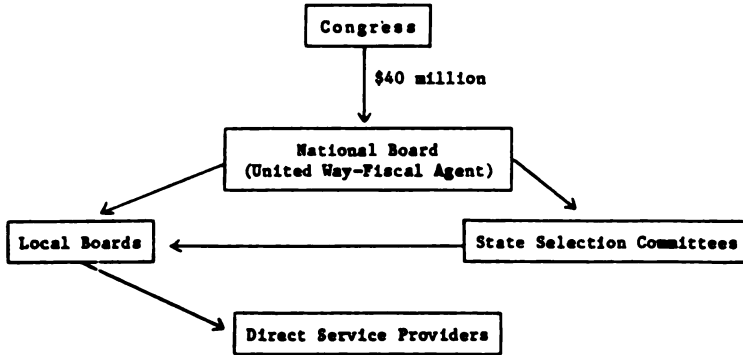
CHART 1

THE ALLOCATION DECISIONS--THE OVERALL PROGRAM

Public Law 98-8 (Phase I)



Public Law 98-151 and 98-181 (Phase II)



make final allocation decisions. These intermediaries may have been government agencies in cities or counties identified as having a need for these services or private organizations that were considered as having the capabilities for making final decisions. There was considerable variation from state to state in how allocations were made. The FEMA national office and the ten FEMA regional offices were responsible for monitoring and providing technical assistance to the states.

The National Board under Phase I developed an allocation formula for choosing those civil jurisdictions most in need of emergency services.² The local United Way was given responsibility for convening a Local Board in areas selected. The Local Board was then responsible for selecting the direct service providers to share in the jurisdiction's award. Where no local United Way was available in a given jurisdiction, the local American Red Cross was responsible for convening the Local Board. In some rural areas, churches or local government officials had to be sought to convene a board. United Way of America also served as fiscal agent for the National Board. When Local Boards made their allocation decisions, United Way of America offices in Alexandria, Virginia sent checks directly to the providers. The Local Boards, therefore, never actually received any funds unless they acted as administrator for their jurisdiction's award. United Way of America, acting as secretariat for the National Board, also reviewed and approved Local Board plans and handled any of the day to day problems in the administration of the program.

²Civil jurisdictions are defined as: (a) cities with a population of 50,000 or more, (b) counties regardless of size, and (c) balance of counties with cities ("a") taken out.

Under Phase II the National Board decided to allocate a minimum of \$100,000 to each state in lieu of the State Program. Those states with no qualifying districts or those for which their total award--when aggregated across qualifying districts--was less than \$100,000 were given grants to bring their total award to this figure. A state selection committee was convened in these states (15 in all) to make decisions about the allocation of these funds. Most of these state selection committees were made up of representatives from the same organizations that were on the National Board and the governor and his or her representative. Most of them designated jurisdictions in need, where Local Boards were convened, and where the final allocation decisions were made. In a couple of the states with smaller awards, the state selection committees became the Local Board and made the final allocation decisions themselves. So in spite of the fact that only the National Board was funded in Phase II, there were still two "tracks" in the allocation decision-making process.

II. THE SERVICE PROVIDER SAMPLE

In this phase of the analysis, issues relevant to the direct service providers of EFSP funds are investigated. The questions we addressed to these agencies derived from conversations with people on the national, regional, and state levels. On the national level interviews were conducted with National Board members, FEMA and United Way staff associated with the EFSP, and Congressional staff familiar with the program. FEMA officials working with the EFSP were also interviewed on the regional level and state EFSP administrators were interviewed on the state level. (The results of these interviews are contained in our earlier study.) All those interviewed were asked—based on their own experiences—what were the most important issues at the local or provider levels of the program. From these comments we distilled the set of questions used during telephone interviews with members of our provider sample.

A regionally stratified sample of 101 direct service providers was interviewed regarding the EFSP. Our goal was to include agencies in one or more of the following categories:

- o received State Program money only;
- o received National Board Program money only;
- o received money and were large, established, sometimes multi-county agencies;
- o received money and were small local agencies;
- o received money and had stated they would refuse future funding;
- o did not receive money from either program.

In other words, we wanted to be able to compare the responses of those participating in the State Program as opposed to the National Board

Program, of those that were large providers as opposed to small providers, of those that continued to participate as opposed to those that dropped out, of those who had received money as opposed to those that had not. Almost all of our sample was drawn from National Board data for the National Board Program, with the exception of those providers in the first category--those receiving State Program Money. Given the more stringent reporting requirements imposed by the National Board, United Way of America was able to provide us with names of and information for all of the provider agencies for this program (including information on those who refused further funding). For the State Program all we had were names and contacts sent to us by the state administrators involved in the EFSP who were willing or able to do so. So our sub-samples of small and large agencies, those who refused further funding, even those who received no funds (and complained) were identified using National Board data. Further, while we were able to cross check our sample of state funded agencies with a complete list of National Board funded agencies (and identify those that had only received state money), we did not have a complete list of state funded agencies in order to do the reverse. Therefore, many of the agencies that we refer to as National Board funded had also received state money. Table 1 presents our eventual list of sub-samples and how they were drawn.

It should be noted that among those in the "large, established" agency category are local counterparts to the national organizations represented on the National Board, such as the Salvation Army, American Red Cross, and Catholic Charities. Some St. Vincent de Paul agencies are included as well. Further, Community Action Agencies or other nonaffiliated agencies

TABLE 1
PROVIDER SURVEY SAMPLE

Selection Criteria	Number Selected	How Identified
Received State Program Money Only	22	State-level administrators sent names, addresses and phone numbers of providers in their states. In some cases state intermediary organizations were contacted. A regionally representative set of organizations was selected, then cross-checked with a National Board list to avoid providers with dual funding.
National Board Funded, Small/ Local	29	Computerized list of all National Board providers used to randomly select small, unaffiliated private voluntary organizations. Local United Way offices were also asked to identify some exemplary or innovative programs.
National Board Funded, Large/ Established	30	Selection based on recommendations from the National Board, officials of regional National Board agencies, and local United Way offices.
National Board Funded, Would Refuse to Participate Again	10	Identified using National Board correspondence files.
Agencies Not Funded by Either Program	10	Local United Ways were contacted for names of providers who had not received any funds. National Board correspondence files were used to identify those jurisdictions where complaints arose.

that satisfied the conditions of being large and well-established were also included in this category. It was felt that the capabilities of this latter group would be more similar to the large national organizations than to the smaller, locally based agencies. On the other hand, some agencies that had ties to national organizations such as YMCAs or some church organizations were included with the smaller agencies if it was determined that their staffs were small or their orientation local and if their ties to any parent organizations were fairly loose. It was felt that the capabilities of these organizations were more similar to the smaller, locally based agencies. Obviously, the demarcation between these two types of agencies was not always clear but every attempt was made to sort them as carefully as possible.

Thirty-four of the 101 agencies were funded by the State Program of which 22 received only State Program money and 12 received money from both programs. Altogether 69 agencies were funded by the National Board, including the 12 that had dual funding and the 10 that refused further funding. Ten did not receive money from either program. Greater detail on our sample in terms of employee size and organization type is located in the appendix.

Given the selection approach and the small sample size, generalizations in this report can be made only for the providers surveyed, and do not necessarily extend to all providers granted EFSP funds. We can expect, however, that many of the experiences described by our sample would mirror those of other providers not contacted.

III. THE ALLOCATION PROCESS FROM THE PROVIDERS' PERSPECTIVE

Providers were asked how the allocation process took place in their area and what they felt about it. Of primary concern were factors affecting the timeliness of how the money was distributed and whether there were any biases in the allocation process. For example, since our previous study focusing on the national, regional, and state levels found that—overall—funds were disbursed more slowly in the State Program, we wanted to know if this trend was verified when looking at the provider level. Also of concern was whether members of Local Boards were more likely to fund their own agencies or whether state administrators were more apt to fund traditionally state-funded agencies, such as CAP agencies. In other words, were there attempts to draw "outsiders" into the allocation process?

Fairness in the Allocation Process

Overwhelmingly, providers who did receive funds felt the process of allocating funds to providers was fair for both the State and the National Board Programs. Only eight percent of the providers felt the allocation process did not allow all capable and interested agencies a chance at funding.

When providers were asked more specifically if they thought there was a bias favoring larger providers, providers on the Local Board, or agencies accustomed to receiving government grants, most continued to feel the process was fair. No differences of opinion between those serving on the Local Board and those not on the Local Board were noted.

A minority of those funded (20 percent) thought there was a bias in the process favoring larger providers or more successful fundraisers. This bias was not always considered a negative action, however. Larger agencies

were considered to be the more capable in many instances, having administrative resources and an established service delivery structure. Another minority (22 percent) did not know enough about the allocation process to make a statement one way or another. Lack of knowledge of the provider selection process was more often noted among state-funded providers.

Of the agencies that did not receive EFSP funding, not all were aware that funds were available. Understandably, responses were split by these providers on whether the allocation process did or did not allow participation by all interested and capable agencies. Of the six out of ten interviewed that did know about program funding, most found out through the local United Way. Even when aware of funding, not all agencies applied, feeling that other agencies were more appropriate or that they lacked resources to administer the program. Of the three that did apply, all were denied funds for various reasons (their area did not meet the specific unemployment rate, other areas were selected, or funds were not spent on services provided by the agency). One of the agencies denied funds by the National Board based on their locality's unemployment rate felt the National Board allocation formula³ was biased toward the larger urban areas and did not consider other equally valid indicators of need.

³In Phase I jurisdictions with 18,000 or more unemployed and a 7.8 percent unemployment rate qualified for funds; while in areas with between 100 and 18,000 unemployed the unemployment rate had to be 13 percent or more to qualify. In Phase II jurisdictions with an 8.1 percent unemployment rate and 18,000 or more unemployed, or those with a 13 percent or more unemployment rate and 1,000 - 18,000 unemployed qualified for funding. The threshold number of unemployed was raised from 100 to 1,000 in Phase II because of problems in finding providers in small jurisdictions in Phase I.

In order to analyze this question of bias against rural areas we looked at the size distribution of National Board funded counties. Table 2 shows that while 75.4 percent of all counties have populations of less than 50,000, 62.2 percent of Phase I funded counties and 52.6 percent of Phase II funded counties were in these smaller areas. The greatest differences between the national distribution and The National Board distribution is in the very small counties—those with less than 10,000 inhabitants. Far fewer of these counties were funded in comparison to their representation among all counties in the U.S. But it is in these very small counties that—in Phase I—the National Board had the greatest difficulties in finding providers to carry out EFSP. This is one reason why the threshold level for participating was raised from 100 unemployed to 1,000 unemployed. Further, since the emphasis of the program was to reach the majority of the unemployed, some bias toward urban areas was deliberate. The National Board assumed—not unreasonably—that larger towns and cities tended to attract those in need. Overall the average size of the difference between the total distribution of counties and the distribution of funded counties—18 percent—is not great. Further, in another report,⁴ we find very little difference in the distribution of funds among urban and rural counties in comparing the State Program to the National Board Program, suggesting that even when different allocation formula were used, the distribution among counties was roughly the same.

⁴Burbridge, et al., "An Evaluation of The Emergency Food and Shelter Program: Local Boards and Intermediaries," Urban Institute Project Report, January 1985.

Table 2
 Distribution Among Counties:
 National Totals, National Board Allocations^a

<u>Population-Size Group</u>	<u>National Totals</u>		<u>National Board Phase I</u>		<u>National Board Phase II</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
250,000 or more	156	5.1	115	12.7	118	14.6
100,000 - 249,999	218	7.2	83	9.2	101	12.5
50,000 - 99,999	374	12.3	145	16.0	164	20.3
25,000 - 49,999	611	20.1	196	21.6	227	28.2
10,000 - 24,999	957	31.5	249	27.5	185	23.0
9,999 and below	725	23.8	119	13.1	11	1.4
Total	3041	100.0	907	100.0	806	100.0

Source: National Board data and U.S. Bureau of Census, County and City Data Book 1983 (Washington DC, Government Printing Office: 1983).

Note: ^a 25 to 30 jurisdictions funded by the National Board are not included in this tabulation, the majority of which were U.S. trusts and territories. Further, the Phase I data does not include those 29 counties that returned their funds. Most of these were small counties, so the distribution would be changed somewhat with their inclusion.

Funding Awards

One-third of state-funded providers in our sample received money from their state directly. The other two-thirds received funds from state-designated intermediary organizations such as Community Action Agencies or County Departments of Social Services. All National Board-funded agencies received funds directly from the National Board (via the United Way of America), once they had been selected by the Local Board in their jurisdiction.

Award amounts to all providers in our survey ranged from \$600 to \$200,000. Awards to state-only funded providers ranged from a low of \$1,500 to a high of \$52,700. For agencies with National Board funding, Phase I awards were higher than Phase II awards, in keeping with the total amount available for each phase. The National Board Program award amounts varied from \$1400 to \$200,000 for Phase I and \$600 to \$119,000 for Phase II. Award amounts for providers who would not participate again if the program were repeated reflected the range of those for other National Board-funded providers.

Agencies in our sample under the State Program were given authority to begin providing service in July 1983 at the earliest. However, the concern that the State Program took longer to get money to providers appeared to hold true for many of the agencies in our sample. Of the 16 state-funded only providers who knew when they were given authority to begin providing services, 10 (63 percent) stated it was September or later. One provider did not receive authorization from the local agency responsible for distributing State Program funds until February 1984, although the state had allocated the money to the local agency by the September 30, 1983

deadline. This delay may have occurred because the state agency perceived winter to be the time of greatest need for EFSP services.

The date the National Board first sent checks to providers under Phase I ranged from May 26, 1983 to September 9, 1983. Those funded under Phase II had award dates ranging from January 24, 1984 to March 28, 1984. Clearly funds were sent out much more quickly under the National Board Program.

IV. THE PROVISION OF SERVICES

Existing Services

In this section we examine the kinds of services providers were able to offer using their EFSP funds, compared to those that they had been accustomed to offering prior to the program. The primary concern is to find out just what providers did with EFSP funds and whether there were differences for different providers. Of particular interest is whether providers were able to use their funds to expand existing services or whether they had to introduce new programs. This is an issue since it was the intent of Congress that EFSP funds be used to supplement on-going programs. However, in our earlier report we found that national and state program administrators were concerned that in some areas—particularly rural areas—some services did not exist and had to be initiated. With the data collected from direct service providers and reported here, it is possible to examine the extent to which new programs did develop as a result of the EFSP. Also of interest was the extent to which EFSP activities interfered with established program activities for a given provider agency. This is important because, if the EFSP continues to be reauthorized, the burden placed on providers may become increasingly difficult for them to absorb.

Almost all agencies surveyed ordinarily provided a range of services in addition to those eligible for supplementation with EFSP money. Crisis or disaster-related services were common, as were education or training, counseling, and referral services. Many of the agencies also provided fuel assistance, transportation, and medical services. Others provided financial assistance and clothing, recreation, and nutrition programs.

Most providers felt that their agency's other programs did not suffer as the result of the resources devoted to the EFSP, with a few of those interviewed emphasizing that their other programs were in fact enhanced by EFSP participation. Staff "burn out" was frequently cited as a problem, however, even though programs were not affected.

A minority of agencies reported that their other programs had suffered as a result of resources being devoted to the EFSP. This was especially common among those that stated they would not participate if the program were repealed. Three of the 10 "refuser" agencies felt other programs had suffered, compared to 3 of the 29 of the smaller National Board-funded agencies, 5 of the 30 larger National Board-funded agencies, and 5 of the 22 of the state-funded only agencies.

EFSP Services

Techniques used to provide EFSP-funded services varied widely in keeping with the intent to allow local discretion in determining what best met community need. Food vouchers were a popular means of supplying food and were used by fifty percent of the funded agencies. This was especially true in rural areas where congregate provision of food would be more difficult. Food banks were more common among agencies funded by the State Program than for those funded under the National Board Program.

For shelter services, housing vouchers for lodging were used by most providers to assist the homeless. Similar to the situation found with food provision, rural areas rarely had facilities available for mass shelter and favored a voucher system. Under the State Program compared to the National Board Program, EFSP funds were used less often for rental assistance and even less for mortgage payments. More than one provider stated their

clients were too poor to own a home and that basic protection from the elements was the issue.

The larger National Board-funded providers often offered different services than the smaller ones. Whereas 69 percent of these agencies reported providing rental assistance and 55 percent reported providing mortgage assistance, these services were provided by 16 and 3 percent, respectively, of the smaller National Board-funded providers and by 16 and 10 percent, respectively, of the state-funded only providers. This may reflect the greater resources of the larger providers, many of which had already established rental and/or mortgage assistance programs, and had the staff to process the necessary certifications to provide these services.

Some funds were used for goods and services complementing food and shelter provision. Child-related expenditures were common. Purchase of cribs, baby formula, and diapers as well as transportation to the shelter were considered incidental services.

Making direct comparisons between providers regarding amounts of service provided for a given award amount would not be fair because providers varied widely in staff availability, what was provided, and how it fit with the existing service delivery structure. The cost of food and shelter for a given area also varied greatly and was not under the provider's control. Table 3 presents examples of what services EFSP-funded agencies usually provided and what they provided under EFSP.

In terms of how services provided with EFSP funds fit in with existing service delivery structures, some providers established new programs to provide services they had not previously provided, and a few—3 percent—continued to provide services that otherwise would have been curtailed.

TABLE 3
EFSP SERVICE PROVISION EXAMPLES

Agency	Award Amount	Number of Employees	Existing Services	EFSP Services	Area
Private Social Service Agency	\$53,000	27	Disaster services (food and shelter), information and referral, health training, communications for military service personnel	Rental assistance, mortgage payments for 150 families	Suburban Southeast
Church-sponsored Social Service Agency	\$1,500	3	Family counseling and adoption; emergency clothing and housing, food pantries	Food vouchers for basic set of items (eggs, hamburger, etc.); provided 3,121 additional meals; housing vouchers for 34 nights	Rural Northeast
Women's Shelter	\$ 1,700	2	Lodging for battered women; counseling and court advocacy	Bought and distributed food for 500 additional meals; purchased cots and blankets; overflow put up in hotel (40 nights stay)	Rural Northeast
Church-sponsored Social Service Agency	\$1,500	18	Elderly transportation, aid for medical expenses, utilities, food, and clothing	Bought and distributed approximately \$20 worth of food to each of 75 families	Urban Central
Public Social Service Agency	\$30,000	300	Information referral, crisis services, alcohol abuse, nutrition counseling, transportation	Food banks distributed \$2,200 in food to 175 families; rent or mortgage assistance to 125 families	Urban Southwest

The majority of providers expanded on existing services. The expansion took various forms. For example some providers added more days when meals would be provided or opened an extra food distribution site. Another provider increased the quality of the food provided. For housing, the money generally allowed providers to expand on the number of persons served and to serve new client groups. Most providers stated that they simply increased their client load, with their existing staff working more intensively and extensively to process the larger numbers.

Other Issues

Few agencies were able to expand or even to maintain the services provided by the EFSP in the absence of EFSP funding. Only 17 providers considered the expanded services a permanent addition. Several providers stated they had continued to offer new services, but at a reduced level. If a service had been offered prior to EFSP, they returned to previous levels of service. Agencies were more able to maintain some types of services than others without EFSP support. Rent or mortgage assistance programs were discontinued when the EFSP money ran out. This was also true, in most cases, for programs which supplied food vouchers. Food banks and providers offering congregate meals were the most able to continue by using funds from other sources.

More than half of the providers said there were no other services they would have liked to provide with EFSP money (although more funds for what they did provide would have been welcomed). Of those who would have liked to provide other services but were prevented by program guidelines or locally imposed restrictions, certain items were mentioned repeatedly.

Utility payments topped the list.⁵ Other items mentioned included security deposits, first and last month's rents, rehabilitation of existing shelters, and transportation—either to where shelter was being provided or to another area where friends/relatives could provide shelter. Though not a direct food or shelter service, a number of providers would have liked to use funds for medical purposes—for prescription drugs in particular.

⁵In the third round of EFSP funding, appropriated in August of 1984, Congress asked the National Board to loosen restrictions on the use of funds for utilities or rehabilitation of existing shelters. The National Board complied, establishing general guidelines and giving the Local Boards broad discretion in spending their dollars.

V. COMMUNITY CHARACTERISTICS AND CLIENT POPULATIONS

Community Characteristics

Targeting has been an important issue in this evaluation. In our earlier report, we cited the opinions of several state administrators that the National Board's reliance on unemployment rates to identify areas of high need caused by the economic recession led to glossing over pockets of chronic poverty that did not meet their stringent criteria, but that deserved attention. They felt that state agencies had a better sense of the needs of the communities within their states, and were better able to target EFSP funds to vulnerable client groups. Members of the National Board, on the other hand, argued that it was the intent of Congress to address the immediate problems caused by the recession with this program, and no more. In getting funds out to the hardest hit areas, as quickly as possible, they were carrying out their mandate.

To assess the appropriateness of client targeting at the local level, direct service providers were asked about their communities and the types of clients they served with EFSP funds. In other words we tried to get a sense of how well funds were targeted for those providers—and their respective communities—that we have in our sample. We can also examine whether any differences occurred in targeting between state-funded only and National Board-funded providers in our sample.

Populations of the areas served ranged from a low of 10,000 to over a million. Almost half (44 percent) of all providers in our sample described the areas they served as urban communities. Another 31 percent served areas with a mix of community types, for example urban/suburban or urban/rural areas. Totally rural areas were served by 19 percent of the

providers and areas described as suburban communities by 6 percent of providers. More (28 percent) providers with state money served rural areas than did providers with National Board money (18 percent). However, in another report—focusing on Local Boards and intermediaries⁶—we found very little difference in the distribution of funding in comparing the National Board Program and the State Program, so this result may only be a product of our sample selection.

Eighty percent of the communities served by the providers in our sample were described as having areas that attracted transients, as having large numbers of unemployed persons, or as having pockets of poverty. Less than half (42 percent) of the communities contained large ghetto areas. We found no differences in the kinds of community problems reported between providers in our sample that did not receive money and those that did, or between providers that received their funds from the State Program or the National Board.

Client Populations

Under the EFSP, most providers served families as opposed to individuals. Only 17 percent stated individuals were served most often, compared to 51 percent stating families, and 32 percent of providers serving both with equal frequency. There were few differences among providers in this regard. This is an important finding since in the past the recipients of food and shelter services from nonprofits have traditionally been characterized as single males with alcohol or drug related problems. This result indicates a change in those in need. It

⁶Burbridge, et al., "Local Boards and Intermediaries," *op. cit.*

confirms statements made by representatives of provider agencies—in recent congressional testimony⁷—that families are not completely being served by the welfare system.

Many defined their target population generally as those "in need." Some identified several types of clients. Of those who stated that they served a specific primary population, the recently unemployed or "new poor" were the most frequently cited. Women with children and the elderly were the second and third most frequently mentioned, followed by transients and those previously in institutions. The National Board-funded providers more often cited the recently unemployed as their primary client population, while the State Program-funded only providers more often cited women and children. While these are not mutually exclusive groups, there does—again—appear to be a greater emphasis on aiding those specifically affected by the recession, in the National Board Program.

When providers were asked if many of the people served under the EFSP were welfare clients, 73 percent responded yes. Yet many of the clients did not appear to be the longer term welfare dependent. Often providers stated that many of their EFSP clients were referred by the welfare agencies to receive stopgap aid until their paperwork was processed for the receipt of public benefits. In other words, they were new (or returners) to the welfare system. The rent and mortgage payment provisions also attracted clients not normally found on social service agency rosters.

⁷For example, see "Homelessness in America," hearings before House Subcommittee on Housing and Community Development, December 15, 1982; and "Problems of Hunger and Malnutrition," hearings before the House Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, February 28 and April 30, 1983.

There was little concern among providers that welfare recipients might lose their benefits as a result of receiving EFSP services, however. The noncash basis, cooperation with welfare organizations, and crisis nature of EFSP generally prevented any problems. Only one state-funded agency expressed concern. Of the nine National Board-funded agencies that felt welfare eligibility might be lost, five were from the group of ten providers that had stated they would not participate if a similar program were repeated, although this was not a specific issue cited as a reason for their decision.

Overall, there appear to be indications that the recently unemployed and families (many of which were apparently applying for welfare for the first time) were the primary recipients of services—at least for this sample of providers.⁸ Serving this group was an important concern of Congress when it fashioned the EFSP legislation. There is some suggestion that the kinds of clients served varied somewhat in comparing state-funded providers to National Board-funded providers. But judging from the responses received, all indications are that the funds went to those most in need.

⁸This is also found in the report on Local Boards and Intermediaries in Burbridge et al., "Local Boards and Intermediaries," Ibid.

VI. ALLOCATING SERVICES TO CLIENTS

The guidelines for the EFSP provided considerable discretion for program implementation at the local level. In this section we examine what providers actually did to provide services—for example, how eligibility was determined—and whether any problems developed in serving clients.

Eligibility

EFSP-funded services were generally provided on a first-come, first-served basis to persons that met provider eligibility requirements. One state provider was an exception to this. In that particular case, the availability of funds was advertised and over a two-week period applications were accepted and information verified. The relative need was then determined, and those most in need were given EFSP services.

In the case of other providers, a broad range of methods was used to determine who would receive EFSP services. Choice of method depended in large part on the type of EFSP services offered by the agency and their screening process for existing services. Most used their established procedures, relying on the judgment of intake workers or information from an application form to determine need. This generally included an assessment of resources available to clients to meet basic needs. This information was often verified with the local public welfare and/or employment agency. Other providers required written documentation, such as eviction notices, benefit termination letters, etc. Requirements were generally stricter to receive rental or mortgage assistance since proof of eviction or foreclosure was necessary.

Referrals from other organizations such as churches or government agencies were often accepted as a determination of client need. In one community, a written referral was used to avoid duplication of services. Providers had agreed to designate one agency to distribute state-funded food vouchers, while the other agencies performed the eligibility screening for the vouchers. Instances where eligibility was determined by a simple client declaration of need (no money, no job, homeless) were found only when the service involved congregate meals and food banks. (Examples of the variation in eligibility requirements for several agencies are presented in Table 4).

Some of the smaller National Board-funded providers stated that even though they tried to establish some form of eligibility requirements, it was often difficult to enforce them due to lack of time, money, or staff. They were particularly concerned that abuses might occur from clients using more than one agency in the community, and therefore receiving duplicate services. Others in this group felt that a monitoring system for the entire EFSP program in a given community would be desirable. To address this issue, the National Board began issuing "Fraud Alerts" in July of 1983, to warn providers of possible problems. Further, methods for assuring nonduplication of services now must be included in Local Board plans. It is not unreasonable to expect that as the program is repeated, providers will become more sophisticated in handling these problems.

Outreach

Approximately 30 percent of providers surveyed had initiated outreach mechanisms beyond normal practice for regular services. However, most providers stated that the overwhelming demand for services was already so

TABLE 4
 VARIATIONS IN ELIGIBILITY REQUIREMENTS

Eligibility Requirements	Type of Agency	Award Amount	KFSP Services
<u>Required written referral from another organization.</u>	Red Cross Catholic Charities	\$ 5,614 \$19,705	Food pantry; shelter for transients. Food vouchers.
<u>Verification of need: Proof of welfare status, eviction notice Food Stamp allotment, exhaustion of unemployment benefits, confirmation of need by police or others.</u>	Grassroots Agency Catholic Charities Red Cross	\$ 8,000 \$ 9,000 \$52,689	Shelter service for adults and youths. Food vouchers, rental assistance (occasionally mortgage assistance). Housing vouchers, rental assistance.
<u>Social worker judgment of severity of need (based in part but not exclusively on income verification.</u>	Grassroots Agency Grassroots Agency Salvation Army	\$ 2,500 \$30,000 \$ 8,000	Food bank, shelter. Food boxes, rental, and mortgage assistance. Food and housing vouchers.
<u>Client declaration of need.</u>	Grassroots Agency	\$ 1,500	Food bank, housing.

great that outreach was unnecessary. Often providers found the publicity from community news coverage plus the awareness of other referring agencies was sufficient to produce more than enough people seeking EFSP services. One agency, using newspaper, radio, and local television to publicize the program under Phase I, was so overwhelmed by lines of clients outside the agency that they did not publicize receipt of Phase II funds.

One state agency had workers make home visits to elderly or invalid clients known to be in need or referred by other agencies. Intake procedures to determine eligibility were completed at the home to allow them to participate.

More than half of the providers reported turning away clients requesting EFSP services before the funds ran out. This generally occurred in cases where another program was available to meet client needs, where their level of income or benefits from other programs exceeded eligibility, where clients had already received EFSP aid, or where staff was simply overloaded. Many more providers reported being unable to meet requests after the EFSP funds were depleted, although other agency resources were used to meet needs where possible.

It appears that although there were differences in how decisions were made on allocating services to clients, there were no real surprises. Agencies used standard intake procedures. They attempted outreach but often did not need to do so. However, the smaller agencies seemed to have some difficulties with eligibility determinations, given staff shortages. For these and other agencies, duplication of services was a real concern, although they have no evidence that much occurred.

VII. GUIDELINES

In our interviews with EFSP officials at the national, regional, and state levels, many cited the tremendous number of calls they received asking for clarification of the guidelines sent out with the awards. Particularly in the initial stages of the program, they reported complaints that the guidelines were too loose and complaints that they were too stringent. We solicited input from the providers about how they felt about EFSP guidelines and any problems they might have caused.

FEMA guidelines for the State Program were brief and directed at state administrators rather than providers. The guidelines required that designated state agencies identify target areas and select recipient organizations, and monitor the program. States were encouraged to select private nonprofit voluntary agencies which have an accounting system and are nondiscriminatory. Local units of government could also be selected. Most but not all states and/or intermediaries attached additional provider requirements regarding reporting of how funds were spent. Some attached additional requirements for screening eligibility of clients or restricted the types of services that could be provided.

The basic provider eligibility criteria under the National Board Program paralleled that of the State Program, except the former did not fund public agencies in accord with the specifications of the legislation. Some exceptions were made when no private, nonprofits were available in a jurisdiction however. Further, religious or service organizations capable of providing food and shelter services, but lacking accounting capabilities to meet the National Board requirement that they conduct an annual audit, could have funds channeled through another agency

capable of meeting the accounting requirements, termed a "fiscal agent." Requirements concerning eligible and ineligible cost items were also similar to those for the State Program, but were given in greater detail, particularly for Phase II. One major difference, however, was that the National Board had more stringent reporting requirements, which explains why we have more information on this program. The original State Program guidelines only required states to report the name, location and grant size for each provider funded, and often states did not provide even this information. The National Board required more detailed information on how money was actually spent.

Providers were split in their opinion of the clarity of the guidelines. Fifty-six percent had no trouble understanding them. Of those who did not find them clear, the definition of terms in the guidelines (i.e., what is a "congregate" meal, what constitutes "incidental") were most frequently mentioned. Other areas brought up as unclear included the time frame for spending the money, the reporting requirements, and how to handle the duplication or the expansion of services. Providers who received both Phase I and Phase II funds from the National Board overwhelmingly found the revised guidelines for Phase II clearer than those for Phase I, and felt that administration in general was easier for Phase II.

Almost unanimously, providers receiving money from the National Board thought that their Local Boards were responsive in providing guidance for the program. Similarly, all but one provider under the State Program found the state or its designated intermediary quite responsive.

The vast majority of providers were comfortable with the recordkeeping requirements, many commenting that they were less complicated to satisfy

than those required by many other funding sources. Of the 10 percent reporting problems, incompatibility of EFSP reporting requirements with existing recordkeeping was often cited as the cause of difficulty, while other providers were unaccustomed to keeping records of any variety.

Few problems were reported in maintaining a separate bank account as required. Less than one-third used another agency as a fiscal agent for the program. Only three of the remaining two-thirds stated they would have needed or wanted a fiscal agent.

Generally speaking, we found no evidence of serious problems resulting from the guidelines. Certainly, when any new program starts up some birth pains are to be expected. It appears, however, that the providers in our sample were able to manage with the guidelines provided.

VIII. PROGRAM COSTS

One requirement of the program that caused tremendous concern to program operators was the restriction on administrative expenses. Those interviewed on the national, regional, and state levels were concerned that these restrictions placed an undo burden on provider organizations, particularly smaller ones or those in rural areas that had less access to supplemental funding. They suggested greater flexibility for administrative costs or a loosening of restrictions on other ineligible cost items. Providers were asked about the impact of these restrictions on their programs, the problems that arose, and how they were able to solve them.

Administration

The EFSP legislation specified that no more than 2 percent of total available money be spent on administration. Under the State Program, states were allowed half this amount for audit costs and the other one percent went to local recipient organizations for their administrative costs. Under the National Board Program, two percent could be spent on administration at the national and local level. Under Phase I of the National Board Program, United Way of America waived claim to administrative funds at the national level, encouraging providers to do the same. Based on their experience in Phase I (they absorbed over \$300,000 in administrative costs), National Board claimed the one percent for Phase II, with half going to the United Way of America as fiscal agent and secretariat, and half earmarked for a four part evaluation of the first two rounds of funding.

Only 19 percent of providers felt the one percent allowed them for administration was enough to cover their costs. Forty-one percent did not feel it was enough and a few (three providers) did not know. The remaining 28 percent did not have even one percent passed on to them. This was more often the case for state-funded providers. Sixty-five percent of providers funded through the states reported not receiving any money for administrative purposes, versus 17 percent of National Board-funded providers. On the other hand, often state-funded providers were allowed to use Community Services Block Grant money for this purpose.

When asked how much they thought would be enough, provider estimates ranged from 2 to 20 percent, with the majority suggesting 3 to 5 percent as adequate. This is compatible with the 3 to 10 percent suggested by state administrators and members of the National Board, and by those responding to our Local Board and intermediary organization questionnaire.⁹ Estimates of staff time (including volunteers) devoted to administration and operation of the EFSP ranged from a low of 20 hours to over 1,300 hours. The differences can be explained almost entirely by the size of the programs and the types of services offered.

Personnel costs, budget or payroll preparation, travel, and reproduction and advertising costs in excess of the one percent allowed (if received, or claimed at all) were handled by providers in a number of ways. All but four providers reported absorbing some costs (i.e., by

⁹See first and second project reports. The August 1984 change in use of funds for utilities or shelter rehabilitation in effect means that items previously assigned to administrative costs can now be handled as direct program costs. This provision eases the administrative cost burden to providers somewhat.

working harder, switching staff assignments, postponing or not doing other work). In addition, 16 providers received funds from other sources and 32 providers reported using volunteers. Other means for covering these costs included church collections and using university students on field assignment. One provider was able to use the National Guard to aid in food distribution.

Use of Volunteers

Of the 63 percent of providers who used volunteers, approximately half used their existing staff of volunteers and half recruited more volunteers specifically for work on the EFSP. Few of those who recruited reported having trouble finding volunteers with the right skills. However, many of the providers in the group of smaller National Board-funded agencies felt there was not enough time to adequately train volunteers. A representative from one of the larger provider agencies stated that it is difficult to keep the same volunteers over the long run, making them an undependable source of help as well. Providers generally used volunteers in combination with their paid staff, although in some cases provider organizations were run entirely by volunteers.

Volunteers performed tasks as varied as the services provided. Some of the agencies used volunteers for administrative tasks. Others reported their program relied on volunteers for shopping, food distribution, delivering clients to shelters, and awarding food or housing vouchers. These can all be considered overhead expenses that would have been restricted by the one percent allocation if not handled by volunteers.

The ratio of volunteer EFSP staff to paid EFSP staff ranged from 3 percent volunteer and 97 percent paid staff to 90 percent volunteer and 10

percent paid staff. Approximately three-fourths of the providers using volunteers felt they could continue to provide EFSP services with their volunteer staff.

Beyond administrative costs, most (70 percent) providers had no problem with the eligibility of other items. Of those with problems, restrictions on equipment incidental to feeding such as freezers or storage equipment, on utility payments, on the rehabilitation or repair of shelters, on transportation, and on the rent allowance were ineligible items they thought should be changed. For example, some providers reported having to turn down donations of bulk food requiring storage because they could not buy a freezer with EFSP funds.

Supplemental Support

One advantage that private, nonprivate agencies have is that they can use their tax exempt status to attract donations to supplement their programs. Slightly less than half of those providers reporting problems meeting expenses were able to attract other funds in addition to EFSP money to cover items ineligible under the program. About one-third of the state-funded organizations and almost half of the National Board-funded ones were successful at receiving in-kind, cash, or discount services from for-profit business groups. Examples included the provision of foods at cost, discount food vouchers from a national grocery chain, food drivers, tax-free food, and donations of cash, clothing, surplus bread, or other staples. About one-third of all providers reported private nonprofit organizations gave support by donating cash, volunteers, or space and by conducting food drives.

It should be noted, however, that these figures probably understate the impact of private donations. After all, fundraising is an on-going activity for most nonprofits and many agencies did not distinguish—in their accounting—between donations that specifically benefitted the EFSP and those that helped their overall programs. In many cases, the EFSP benefited from these ongoing fundraising activities, even when funds may not have specifically been raised for EFSP activities.

IX. EFSP INTEGRATION WITH OTHER FEDERAL PROGRAMS
AND OTHER AGENCIES

One of the positive aspects of the EFSP—other than the provision of services—frequently cited in our interviews with those at the national and state levels was that it led to greater interaction among provider agencies and promoted public/private cooperation within recipient communities. In the previous section we discussed the support received from for-profit and nonprofit agencies. Providers were also asked how their interaction with different provider agencies and with local government officials had changed as a result of the EFSP. Further, they were asked about their interaction with other federal programs and with EFSP officials at the national and state levels.

Most providers increased their interaction with other providers in the community as a result of the program. Involvement with other service providers was increased by establishing or expanding a referral system for clients, by checking on client intake information, and by coordinating to avoid service duplication. Interaction with local government officials through the use of referrals was greater for approximately half of the providers surveyed. In at least one case the city provided the free use of city facilities. As could be expected, state-funded providers reported more local government official interaction than providers in general.

Thirty-eight percent of providers were not involved with any other federal program. The Surplus Commodities Program was the most frequently mentioned program to be coordinated with the EFSP. This is not surprising since this interaction was encouraged by the legislation establishing the EFSP and by national EFSP people. A few also coordinated their EFSP with

other federal programs such as energy assistance, Food Stamps, and employment and training programs. Coordination most frequently took the form of a single intake procedure being used to determine eligibility for several programs. Again, lack of time was mentioned by the smaller National Board providers as a constraint on coordinating their EFSP with other federal programs. While the National Board did give Local Boards and providers the flexibility to adjust their plans after the award, we do not know the extent to which they exercised this option. In spite of these complaints, it was indicated in our conversations with National Board staff that many providers did change their plans as they went along.

The majority of providers felt the program was flexible enough to meet the needs of their communities. Compared to other federal programs, those providers with prior experience more often reported that the EFSP was much quicker, had less red tape, and was simpler than other federal programs. The second largest group found it similar to other federal programs in terms of administration, while a very small number thought it was more cumbersome and less effective. Providers who found the recordkeeping and reporting to be burdensome generally were those with little federal program experience.

Overall, about two-thirds of the providers surveyed did not deal with people from FEMA, the National Board, or United Way of America regarding the program. Some providers had more contact than others. Not surprisingly, interaction with national level program representatives was greater (nine out of ten) for those providers who stated they would not participate in the program if it were repeated. This was found for over one-third of the larger National Board providers as well. None of the state-funded

agencies reported any contact with the national level FEMA representatives. However, since many complaints or questions were handled by the state or by regional FEMA offices, this is not surprising.

In general, it appears that things went fairly smoothly in terms of the interaction of the various actors involved in this program. Providers were very enthusiastic about the networks created as a result of the EFSP, many feeling that this will lead to greater coordination in the long run. Insofar as there was interaction with national or federal officials, these interactions were usually helpful.

X. FUTURE COMMUNITY NEEDS AND SUGGESTIONS

Given the fact that the EFSP has already received funds two more times, looking to the long run becomes an important issue. Providers were asked to give their assessment of what their future community needs might be to get a sense of what client groups may need targeting. They were also asked to give suggestions of how the EFSP might be improved to make it more effective and efficient in the future.

Future Community Needs

Providers were asked to identify the greatest future needs in their communities in terms of services and probable clients. They reported the following:

- Shelter led the list as the most frequently mentioned service, cited by 33 percent of respondents. This goes counter to our report on Local Boards and intermediaries where food services were cited as the greatest need.¹⁰
- Twenty-three percent reported food to be a great need in the future, followed by 17 percent mentioning employment.
- A variety of other future community needs were also reported, including low-income housing in general, medical care, training, and emergency services.

In terms of clients most in need in the future, the new unemployed were identified by 26 percent of the providers, followed by 16 percent mentioning the homeless. Beyond those two groups, a number of types of clients were mentioned, many of which overlap. These other client groups include the unemployable, underemployed, and unskilled; single-parent

¹⁰See Burbridge, et al., "Local Boards and Intermediaries," op. cit.

families; the mentally disabled; those just above the income level to be eligible for traditional services; the homeless; the elderly; and youth.

There was little optimism that these needs could be met by the public welfare agencies in the providers' communities. Only 11 percent felt they would be capable, although many qualified their statement with comments like: "they are trying, but;" "not with the resources they have;" or "the problem is much larger than they can handle."

Providers were split in their assessment of whether their communities were more aware of the problems of the poor and homeless as a result of the program, and if they were doing more to alleviate the problem. One State Program-funded provider reported that a local group formed and raised \$200,000 to buy a hotel for a community shelter. Another community changed zoning requirements to allow trailers where they were previously prohibited. In a third community workers aided by the program when they were on strike now regularly take up collections to be donated to one of the EFSP providers. These examples were countered by slightly more providers who saw no increased awareness or action because of the program.

The opinion was almost unanimous (95 percent) that there should be a continued federal role in providing food and shelter services. Many saw the role as essentially a financial one, with specific guidelines and administrative procedures established locally. Local communities were felt most capable of deciding where the money should be spent, but were perceived as unable to provide the resources. Also frequently expressed were two opposite opinions that federal financial assistance should be continuous so services could be planned (rather than a bandaid approach); and that it should be provided for emergencies only (not another bottomless

program). Greater reliance on private voluntary agencies was urged.

Despite the critical comments made about the EFSP, almost all of the providers (including those who did not receive money) would gladly participate in the program if it were repeated. Of the nine providers that would not participate, lack of administrative funds, lack of time, improper targeting of funds, and agency lack of administrative capacity were given as reasons. A few of those who did say they would participate again did so with one caution—if the "red tape" were increased it might not be worth it.

Suggestions

Improvements for any future program suggested by providers are listed below.

An Expanded Timeline. Suggestions were numerous in this regard. Getting the money out quickly, according to some of the providers we spoke with, was a problem in that:

1. time was not available for developing local criteria truly reflecting areas of need;
2. no time was allowed for planning the program to run efficiently (e.g., coordinating tasks with other agencies, arranging to buy food in bulk, developing cooperative agreements with the private sector, etc.);
3. lack of time prevented all agencies from being informed of the funding availability and applying to participate; and
4. agencies themselves sometimes had to be more concerned with getting the money spent, rather than taking the time to plan how it could be best spent.

All the above problems were felt to be ones that could be remedied by an expanded time frame, allowing lead time at various levels. This, of course, has to be squared against the requirement to get funds out as soon as possible.

Local Level Discretion. More flexibility for Local Boards and state intermediaries was suggested to improve the efficient use of the money, given that resources and needs vary widely from area to area. This was an issue particularly in regard to shelter. The most recent National Board guidelines allowing Local Board discretion in the payment of utilities and rehabilitation of existing shelters is exactly along the lines many providers suggested. Discretion for less universal requests (dispers, transportation) was also seen as desirable.¹¹ This recommendation, however, has to be squared against the National Board's concern that there may be a conflict of interest since many agencies serving on the local board are also recipients of funds.

Increased Administrative Allowance

As noted in Section VIII, only 19 percent of providers felt that the one percent of their total grant allowed for administrative expenses was adequate. That the program was, at that time, considered an emergency rather than a permanent demand on administrative staff, made it bearable. Acknowledgement that other programs might suffer and that staff was overburdened accompanied appeals for more administrative funds. It was also felt that smaller agencies with less flexibility or resources in reserve would be more capable of participating if providers were not asked to absorb program administrative costs. One provider expressed a fear that smaller agencies might have to assess whether or not they could afford to accept future funding if administrative cost allowances are not increased.

¹¹In actuality, dispers and transportation were eligible cost items, but many providers did not realize this.

XI. EXEMPLARY PROGRAMS

One final task that we attempted as a part of the provider survey involved identifying exemplary programs or innovative service delivery strategies that may be useful to EFSP providers in the future. As indicated earlier, some attempts were made to ensure that good programs were included in our sample. Further, respondents were asked to point to any aspects of their own programs that may have been unique and/or effective. Thirty-five of those interviewed did so.

Although we were primarily concerned with identifying programs with exemplary strategies for providing EFSP services, we found that those providers that had interesting or innovative programs before receiving EFSP funds did so afterwards. (In fact, many EFSP providers were simply expanding existing services.) It should also be noted that some of the exemplary programs discussed here were the result of initiatives on the part of Local Boards.

Coordination

One often-cited effective strategy for the delivery of services involved coordination. Coordination occurred in different ways. In some communities coordination involved a division of responsibilities with respect to the provision of services. In one area the CAPs were assigned responsibility for handling shelter programs, and the other agencies were responsible for providing food. In another area, one large agency was assigned responsibility for coordinating food distribution among the smaller providers, while another agency was responsible for subcontracting

to other providers for shelter services.¹² In the latter case, then, there was a division of responsibility with respect to services as well as a centralization of administration for each service.

Centralization occurred on other levels as well. For example, some providers that were federations of churches or community councils centralized the administration of the program in the main federation office, while the various branches actually provided the services. In other cases food purchasing and distribution was centralized, so that all supplies were bought by one agency, or by one office of a federated agency, and kept at a central warehouse. From there they were distributed to other agencies or branches. This also occurred at the state level with purchases for the entire state being centralized and then distributed to various regions in the state. Screening of clients might be centralized to avoid duplication of effort among different agencies in an area. Coordination and centralization across counties occurred when providers were responsible for administering services for more than one jurisdiction. In our sample this occurred in two separate rural areas where there were few providers. Coordination across counties also occurred in those states attempting to interface the State Program with the National Board Program. In two cases providers said that the provision of services in the entire state had been planned and organized as a result of EFSP.

¹²It should be noted that if sub-contracting along these lines is fairly common, then there may have been many more providers than the data suggest. Subcontractors were generally not reported.

Enhanced Services

Other exemplary strategies were developed as a result of attempts by providers to "enhance" food and shelter services. In some cases counseling and training were provided along with food or shelter. One agency provided training in financial management in order to forestall the probability of recurring financial crises for a given client. Another agency was more specific, providing mortgage counseling to help clients threatened with losing their home. A third agency that served large numbers of stranded transients counseled them on how to plan the remainder of their trip so they could reach their destination without further crises. Several agencies taught nutrition and menu planning along with the provision of food.

Other agencies "enhanced" their programs by emphasizing the quality of services provided. Some of the providers used EFSP funds to increase the quality of food served. One provider—serving a low-income Jewish population—provided Kosher food. Another agency lay great stress on providing services in a humanistic manner, where the preservation of a client's dignity and future resourcefulness were given a high priority.

Unique Approaches

There were, as well, those programs that provided altogether unique services. For example, one agency rented vans to go out into rural areas where potential clients unfamiliar with the program could be found. Interesting methods were used to provide shelter services as well. One agency printed up its own housing vouchers which were as good as money at various motels, while another negotiated encumbrance agreements with different shelter vendors.

Further, every kind of shelter facility was used. As well as the more formal shelters and motels, people were put up in adult homes, boarding houses, YMCAs, or YWCAs. One YMCA put up transients in their facilities and coordinated with the food bank receiving EFSP funds to give them food, which was cooked in the kitchens available in the YMCA apartments. Some providers rented apartments as temporary shelter for clients. Two of the providers also had transitional shelter programs (one of which was developed prior to EFSP). They held several apartments (in one case procured from the public housing authority) to provide temporary shelter until more adequate housing could be found. One program also provided counseling and follow-up once permanent housing had been found, and had staff assigned to canvassing landlords throughout the city to provide housing for those with unstable histories. (Landlords have come to rely on and respect the agency's screening capabilities.)

There were also agencies that targeted particular groups with particular problems. One had a special program for alcoholic women. Another coordinated with the district attorney to help battered women. Special programs for children were also mentioned.

Community Mobilization

Finally, there were programs that were particularly effective in mobilizing their community's resources. There were programs that managed to work almost entirely with a volunteer staff. One program managed to recruit social service professionals as volunteers. Another program used its clients as volunteers. Other programs were particularly effective in striking deals with local businesses for in-kind donations of food.

Combined Strategies

The better programs used a combination of these different strategies. This can be seen from the descriptions of three exemplary programs drawn from our sample.

1. One Local Board divided responsibility for food and shelter among two agencies which centralized the provision of food or shelter. The agency responsible for providing food purchased the food, kept it in a central warehouse, and distributed to other providers in the area. This agency handled all record keeping and coordinated with the USDA Surplus Food Commodities programs. It used EFSP funds to enhance the quality of food provided as well. The agency responsible for shelter provided services in their own shelters as well as subcontracting to 16 other agencies providing a variety of shelter services. The agency handled record keeping for the shelter components of EFSP in their community.
2. Another agency was able to provide services using only volunteers. It started as an agency supported by 5 churches but now receives contributions from 30 congregations in its area. One volunteer is a dietitian who decides on the composition of the food sacks given to clients and who emphasizes nutritional balance in the food provided. Recipes were also included to show clients how to use the food effectively.
3. A third example is an agency that centralized administration of the program for a variety of community councils providing services. It developed a transitional housing program and lay great stress on preserving the dignity of its clients. The agency was able to mobilize large numbers of volunteers, has managed to maintain its new programs started under EFSP, and has a policy of never turning anyone away. It is in a state where food and shelter activities have been coordinated statewide.

Exemplary programs were found in all kinds of agencies: large and small, old and new, traditional food and shelter providers and nontraditional ones. They were found in all regions of the country; in city, suburb, and country. They were found in agencies with high overhead and low overhead. A possible common element seems to be the existence of one or more staff members with vision and drive. Clearly, much can be learned

about the successful provision of emergency food and shelter services by closely examining some of these programs.¹³

¹³Public Technologies, Inc. is undertaking this task, as a fourth part of this overall evaluation.

APPENDIX

SAMPLE DESCRIPTION

Description	Number
<u>Organization Size</u>	
1 to 3 full-time employees	34
6 to 10 full-time employees	25
11 to 20 full-time employees	10
21 or more full-time employees	26
Not sure	6
<u>Organization Type</u>	
Community Action Program (CAP)	7
Public social service agency	7
Private social service agency, large ^a	42
Private social service agency, small ^b	30
Church/synagogue (or locally based religious federation)	15

a. Large, established organization, including CAPs and public agencies.

b. Small, local private agencies with loose or no ties to a national organization. Includes churches and synagogues.

APPENDIX

Emergency Food and Shelter Program
Service Provider Questionnaire

A. PRELIMINARIES

1. WHICH OF THE EFSP PROGRAMS WERE YOU A PART OF?

- (1) _____ State Program
 (2) _____ National Board Program Phase I (4/83-3/84)
 (3) _____ National Board Program Phase II (12/83-5/84)
 (4) _____ Not sure (describe when, who money from)

- (5) _____ Did not receive funding

↳ [GO TO NON-EFSP PROVIDER QUESTIONS]

2a. WHAT KIND OF ORGANIZATION ARE YOU?

- (1) _____ Community Action Program (CAP)
 (2) _____ Public social service agency
 (3) _____ Private social service agency with national affiliates
 (4) _____ Church or synagogue
 (5) _____ Local grassroots food/shelter provider
 (6) _____ Other

2b. WHAT IS THE SIZE OF YOUR ORGANIZATION?

- (1) _____ 1 to 5 full-time employees
 (2) _____ 6 to 10 full-time employees
 (3) _____ 11 to 20 full-time employees
 (4) _____ 21 or more full-time employees

3. [If organization is an affiliate of a national organization,] HOW MANY SITES ARE IN YOUR AREA?

- (0) _____ Not national affiliate
 (N) _____ Number of sites

B. SERVICES PROVIDED**4a. WHAT SERVICES DID YOU PROVIDE WITH YOUR EFSP FUNDS?**

- (1) _____ Mass feedings
- (2) _____ Meals on wheels
- (3) _____ Food vouchers
- (4) _____ Food banks
- (5) _____ Shelters
- (6) _____ Housing vouchers
- (7) _____ Rental assistance
- (8) _____ Mortgage payments
- (9) _____ Other

4b. DOES YOUR ORGANIZATION PROVIDE OTHER KINDS OF SERVICES (NOT INCLUDED IN EFSP)?

- (0) _____ No other kind of service
- (1) _____ Food Stamps
- (2) _____ Medical services
- (3) _____ Education/training
- (4) _____ Transportation
- (5) _____ Public assistance payments
- (6) _____ Crisis services
- (7) _____ Other

5a. WHAT IS YOUR PRIMARY CLIENT POPULATION?

- (1) _____ Long-term unemployed
- (2) _____ Recently unemployed
- (3) _____ Transients
- (4) _____ Deinstitutionalized patients
- (5) _____ Elderly
- (6) _____ Women and children
- (7) _____ Other

5b. UNDER THE EMERGENCY FOOD AND SHELTER PROGRAM, WERE MOST OF THE PEOPLE YOU HELPED WHOLE FAMILIES, WERE MOST OF THEM SINGLE INDIVIDUALS, OR DID YOU SERVE AN EQUAL NUMBER OF BOTH?

- (1) _____ Most were families
 (2) _____ Most were individuals
 (3) _____ Both

5c. WERE MANY OF THEM WELFARE CLIENTS?

- (1) _____ Yes
 (2) _____ No
 (3) _____ Don't know

5d. WAS THERE ANY CONCERN THAT WELFARE RECIPIENTS MIGHT LOSE THEIR ELIGIBILITY FOR WELFARE PROGRAMS IF THEY GOT EFSP SERVICES?

- (1) _____ Yes
 (2) _____ No
 [Comments?]

6a. IN TERMS OF THINKING ABOUT HOW THE EFSP FIT WITHIN YOUR EXISTING SERVICE DELIVERY STRUCTURE, WERE FUNDS USED TO CONTINUE SERVICES THAT OTHERWISE MIGHT NOT HAVE BEEN PROVIDED, TO EXPAND EXISTING SERVICES, OR WAS A SEPARATE PROGRAM SET UP TO GIVE TYPES OF SERVICES YOUR AGENCY HAD NOT PROVIDED BEFORE EFSP?

- (1) _____ Continue services [Go to 7]
 (2) _____ Expand existing services
 (3) _____ Establish separate program/new services
 (4) _____ Any combination (_____ 1 & 2; _____ 1 & 3; _____ 2 & 3; _____ all 3).

6b. WHAT NEW OR EXPANDED SERVICES WERE PROVIDED BY YOUR ORGANIZATION AS A RESULT OF THE EFSP?

- (1) _____ Mass feedings
- (2) _____ Meals on wheels
- (3) _____ Food vouchers
- (4) _____ Food banks
- (5) _____ Shelters
- (6) _____ Housing vouchers
- (7) _____ Rental assistance
- (8) _____ Mortgage payments
- (9) _____ Other

6c. HOW DID YOU GEAR UP TO PROVIDE THESE NEW OR EXPANDED SERVICES?

- (1) _____ Extended hours
- (2) _____ Used more volunteers
- (3) _____ Delayed work on other programs
- (4) _____ Other (describe)

6d. WAS THE ADDITION OF SERVICES MADE POSSIBLE BY THE EFSP A TEMPORARY ADDITION OR A PERMANENT ONE? (In other words, have you been able to maintain programs begun under EFSP?)

- (1) _____ Permanent addition, able to maintain
- (2) _____ Temporary addition, unable to maintain

6e. HAVE YOU BEEN ABLE TO EXPAND PROGRAMS BEGUN UNDER EFSP, BEYOND WHAT YOU WERE ABLE TO DO WITH YOUR EFSP FUNDING?

- (1) _____ Yes
- (2) _____ No

7. HOW DOES THE WEATHER, OR SEASONS, IN YOUR AREA AFFECT THE KIND OF SERVICES PROVIDED?

8a. WHAT OTHER SERVICES WOULD YOU HAVE LIKED TO PROVIDE UNDER THE EFSP?
[Next question is "What prevented you?" Write in answer below if they offer answer now.]

- (1) _____ Utility payments
- (2) _____ First/last month rent
- (3) _____ Mortgage payment prior to foreclosure notice
- (4) _____ Others (describe)

8b. WHAT PREVENTED YOU FROM PROVIDING THOSE SERVICES?

- (1) _____ EFSP guidelines
- (2) _____ State or Local Board guidelines
- (3) _____ Lack of funds
- (4) _____ Lack of agency resources (describe)
- (5) _____ Lack of time
- (6) _____ Other (describe)

9. DO YOU HAVE ANY FIGURES, OR CAN YOU ESTIMATE HOW MUCH MORE YOUR ORGANIZATION WAS ABLE TO PROVIDE BECAUSE OF THE EFSP?

- (N) _____ Maintained prior levels only
- (N) _____ Number of additional nights' lodging
- (N) _____ Other measures (describe)
- (N) _____ Number of additional meals

C. THE ALLOCATION PROCESS

THE NEXT QUESTIONS DEAL WITH THE MECHANICS OF FUNDS BEING ALLOCATED TO YOUR ORGANIZATION.

10a. WHO DID YOU RECEIVE YOUR EFSP ALLOCATION(S) FROM?

Yes (1)	No (2)	
_____	_____	Local Board, phase I
_____	_____	Local Board, phase II
_____	_____	State Program, directly from state
_____	_____	State Program, from intermediary

10b. WHAT WAS THE AMOUNT OF YOUR AWARD(S)?

\$ _____
 Source: _____

\$ _____
 Source: _____

10c. WHEN WERE YOU GIVEN AUTHORITY TO BEGIN PROVIDING SERVICES?

_____ Date

11a. DO YOU FEEL THE ALLOCATION PROCESS ALLOWED ALL CAPABLE AND INTERESTED AGENCIES TO HAVE A CHANCE AT FUNDING? [If received funding from more than one source, focus on two largest allocations.]

Source: _____	Source: _____
(1) _____ Yes	(1) _____ Yes
(2) _____ No	(2) _____ No
(3) _____ Don't know	(3) _____ Don't know

11b. DO YOU THINK THERE WAS A BIAS IN THE PROCESS THAT FAVORED THE LARGER OR MORE SUCCESSFUL FUND RAISERS AT THE EXPENSE OF THE SMALLER PROVIDERS?

(1) _____ Yes
 (2) _____ No
 (3) _____ Don't know

[QUESTION 12: NATIONAL BOARD PROGRAM AGENCIES ONLY]

12a. WAS YOUR AGENCY ON THE LOCAL BOARD?

(1) _____ Yes

(2) _____ No

12b. DO YOU THINK THERE WAS A BIAS IN THE PROCESS FAVORING AGENCIES ON THE BOARD?

(1) _____ Yes

(2) _____ No

(3) _____ Don't know

12c. WAS THE LOCAL BOARD RESPONSIVE IN PROVIDING GUIDANCE FOR THE PROGRAM?

(0) _____ No questions

(1) _____ Yes

(2) _____ No

12d. IN GENERAL, DO YOU FEEL THE ALLOCATION PROCESS FROM THE BOARD TO THE SERVICE PROVIDERS WAS FAIR?

(1) _____ Yes

(2) _____ No

(3) _____ Don't know [Comments?]

[QUESTION 13: STATE PROGRAM AGENCIES ONLY]

13a. DO YOU THINK THERE WAS A BIAS IN THE ALLOCATION PROCESS FAVORING PUBLIC AGENCIES?

(1) _____ Yes

(2) _____ No

(3) _____ Don't know

13b. WAS THE STATE OR STATE INTERMEDIARY RESPONSIVE IN PROVIDING GUIDANCE FOR THE PROGRAM?

- (0) _____ No questions
 (1) _____ Yes
 (2) _____ No

13c. IN GENERAL, DO YOU FEEL THE ALLOCATION PROCESS FROM THE STATE TO THE PROVIDERS WAS FAIR?

- (1) _____ Yes
 (2) _____ No
 (3) _____ Don't know [Comments?]

NOW I'D LIKE TO ASK YOU ABOUT HOW YOUR SERVICES WERE ALLOCATED TO CLIENTS.

14. HOW DID YOU DECIDE WHO TO SERVE; FOR EXAMPLE, DID YOU REQUIRE MEANS TESTING?

- (1) _____ Yes [Ask them to describe]
 (2) _____ No

15. DID YOU HAVE ANY OTHER ELIGIBILITY CRITERIA?

- (1) _____ Yes [Ask them to describe]
 (2) _____ No

16. UNDER EFSP, DID YOU MOSTLY SERVE PEOPLE WHO ALREADY USED YOUR ORGANIZATION OR PUBLIC WELFARE ORGANIZATIONS?

- (1) _____ Yes [Ask what agencies clients came from and how those agencies screened clients]
 (2) _____ No

17. DID YOU RECRUIT CLIENTS FOR THE EFSP OR INITIATE OUTREACH MECHANISMS BEYOND YOUR NORMAL EFFORTS?

- (1) _____ Yes [Ask to describe outreach/recruitment effort]
 (2) _____ No

18. DID YOU HAVE TO TURN AWAY ANY PERSONS REQUESTING EFSP SERVICES?

- (1) _____ Yes [Ask estimated number, and reasons or criteria]
 (2) _____ No

19. [Repeat how they described their allocation process for clients in above questions, i.e., SO YOU DECIDED BASED ON . . . or if responded No to all above, ask how, i.e., IF YOU DIDN'T USE MEANS TEST, LISTS OF OWN OR OTHER AGENCY CLIENTS, ETC., HOW DID YOU DECIDE?]

_____ Same as above, or
 Describe:

B. ADMINISTRATION AND COSTS

20a. CONCERNING THE PROGRAM GUIDELINES, DID YOU HAVE ANY TROUBLE UNDERSTANDING THEM, I.E., WERE THEY CLEAR?

- (1) _____ Yes [Go to 21]
 (2) _____ No

20b. [Ask only if unclear.] WHICH ONES WERE NOT CLEAR?

- (1) _____ Time frame for spending money
 (2) _____ Term definitions
 (3) _____ Eligible administrative costs
 (4) _____ Eligibility of other costs (describe)
 (5) _____ Other (describe)

21a. ONE PERCENT WAS ALLOWED IN THE LEGISLATION FOR ADMINISTRATIVE COSTS. WAS THIS ENOUGH?

- (1) _____ Yes [Skip to Question 23]
 (2) _____ No
 (3) _____ Don't know
 (4) _____ One percent not passed on to them

21b. HOW MUCH WOULD BE ENOUGH?

- (N) _____ Percent

22. DID YOU COVER PERSONNEL AND OTHER INELIGIBLE ADMINISTRATIVE COSTS BY:

22a. GETTING MORE FUNDS FROM OTHER SOURCES?

- (1) _____ Yes
 (2) _____ No

22b. ABSORBING THE COSTS (working harder, switching staff assignments, postponing or not doing other work)?

- (1) _____ Yes
 (2) _____ No

22c. [IF ABSORBED] WHAT PERCENT OF YOUR ESTIMATED TOTAL ADMINISTRATIVE COSTS FOR THE EFSP-FUNDED SERVICES DID YOUR ORGANIZATION HAVE TO ABSORB?

(N) _____ Percent

22d. USING VOLUNTEERS?

(1) _____ Yes

(2) _____ No

22e. OTHER MEANS?

(1) _____ Yes (describe)

(2) _____ No

23a. IF YOU USED VOLUNTEERS, WAS YOUR EXISTING VOLUNTEER STAFF ADEQUATE, OR DID YOU RECRUIT MORE VOLUNTEERS SPECIFICALLY FOR THE EFSP?

(1) _____ Didn't use volunteers [Go to 25]

(2) _____ Had enough

(3) _____ Recruited

(4) _____ Other

23b. COULD YOU FIND PEOPLE TO VOLUNTEER (OR DID YOUR EXISTING STAFF HAVE) THE RIGHT SKILLS FOR EFSP-RELATED WORK?

(1) _____ Yes

(2) _____ No

23c. COULD YOU CONTINUE TO PROVIDE THESE SERVICES WITH A VOLUNTEER STAFF?

(1) _____ Yes

(2) _____ No

24a. CAN YOU ESTIMATE HOW MUCH STAFF TIME (INCLUDING VOLUNTEERS, IF USED) WAS DEVOTED TO THE EFSP?

(0) _____ No

(N) _____ Staff hours

24b. [Ask only if used volunteers.] WHAT PERCENT OF STAFF TIME DEVOTED TO EFSP WAS VOLUNTEER TIME VERSUS YOUR OWN STAFF RESOURCES?

- (0) _____ All volunteer staff
- (1) _____ Volunteer percent
- (2) _____ Own staff percent

25a. EXCLUDING ADMINISTRATION, DID THE INELIGIBILITY OF ANY OTHER ITEMS CAUSE YOUR AGENCY PROBLEMS?

- (1) _____ Yes
- (2) _____ No [Skip to 26]

25b. WHICH INELIGIBLE ITEMS WERE A PROBLEM?

- (1) _____ Equipment incidental to feeding
- (2) _____ Equipment incidental to shelter
- (3) _____ Rent
- (4) _____ Mortgage
- (5) _____ Other (describe)

25c. WOULD YOU SUGGEST MAKING THE ITEMS ABOVE ELIGIBLE TO IMPROVE THE PROGRAM? [Ask only of items that were a problem]

Yes	No	
_____	_____	Equipment incidental to feeding
_____	_____	Equipment incidental to shelter
_____	_____	Rent
_____	_____	Mortgage
_____	_____	Other (describe)

26a. WERE YOU ABLE TO ATTRACT OTHER FUNDS IN ADDITION TO EFSP TO PAY FOR INELIGIBLE COST ITEMS?

- (1) _____ Yes (describe)
(2) _____ No

26b. WERE YOU ABLE TO FIND OTHER WAYS TO COPE WITH THESE INELIGIBLE COST REQUIREMENTS (e.g., lease/purchase agreements)?

- (1) _____ Yes (describe)
(2) _____ No

27a. WHAT ABOUT REPORTING REQUIREMENTS? HAD YOUR ORGANIZATION BEEN ACCUSTOMED TO KEEPING TRACK OF THE NUMBER OF MEALS SERVED AND/OR NIGHTS' LODGING PRIOR TO THIS PROGRAM? [Only interested when they were already providing a service before EFSP.]

- (1) _____ Yes, meals
(2) _____ Yes, lodging
(3) _____ Yes, both
(4) _____ Yes meals, no lodging
(5) _____ Yes lodging, no meals
(6) _____ No, not accustomed
(6) _____ No, not provided before

27b. IN GENERAL, WAS RECORD KEEPING FOR EFSP REPORTS A PROBLEM?

- (1) _____ Yes
(2) _____ No

27c. DID YOU ENCOUNTER ANY PROBLEMS IN MAINTAINING A SEPARATE BANK ACCOUNT FOR EFSP?

- (1) _____ Yes
(2) _____ No

- 27d. DID SOME AGENCY OTHER THAN YOUR OWN SERVE AS FISCAL AGENT (E.G., LOCAL UNITED WAY)?
- (1) _____ Yes [Skip to 28]
(2) _____ No
- 27e. IF NOT, DO YOU THINK YOU NEEDED SUCH AN AGENT OR WOULD WANT ONE IN THE FUTURE?
- (1) _____ Yes
(2) _____ No
28. DID ANY OF YOUR AGENCY'S OTHER PROGRAMS SUFFER AS A RESULT OF THE RESOURCES DEVOTED TO THIS ONE?
- (0) _____ No other programs
(1) _____ Yes (describe)
(2) _____ No
29. OVERALL, WHAT SUGGESTIONS WOULD YOU MAKE TO IMPROVE THE PROGRAM, CONSIDERING THE GUIDELINE COST ALLOWANCES, REPORTING REQUIREMENTS, ETC.?
- 30a. [For those participating in both Phase I and Phase II; others go to Q31.] WAS PHASE II LESS COSTLY IN TERMS OF YOUR ORGANIZATION'S TIME AND RESOURCES?
- (1) _____ Yes (Why?)
(2) _____ No
- 30b. WERE YOU CLEARER ON THE MEANING OF THE GUIDELINES WITH THE SECOND NATIONAL BOARD PLAN THAN WITH THE FIRST PHASE PLAN?
- (1) _____ Yes
(2) _____ No
- 30c. IN GENERAL, WAS IT EASIER THE SECOND TIME AROUND?
- (1) _____ Yes
(2) _____ No

E. COMMUNITY PROCESS

NEXT I'D LIKE TO ASK YOU ABOUT YOUR COMMUNITY AND HOW THE EFSP FIT IN.

31a. HOW WOULD YOU DESCRIBE YOUR COMMUNITY; AS RURAL, SUBURBAN, OR URBAN?

- (1) _____ Rural
 (2) _____ Suburban
 (3) _____ Urban
 (4) _____ Mixed, or other

31b. WHAT IS THE POPULATION OF THE CITY(S) YOU SERVE?

_____	(000)	_____
Population		Number of Cities

DOES YOUR COMMUNITY SUFFER FROM PROBLEMS SUCH AS:

31c. LARGE GHETTO AREAS?

- (1) _____ Yes
 (2) _____ No

31d. POCKETS OF POVERTY?

- (1) _____ Yes
 (2) _____ No

31e. LARGE NUMBERS OF RECENTLY UNEMPLOYED?

- (1) _____ Yes
 (2) _____ No

31f. AREAS THAT ATTRACT TRANSIENTS?

- (1) _____ Yes
 (2) _____ No

32a. DO YOU FEEL THE EFSP WAS FLEXIBLE ENOUGH TO MEET THE NEEDS OF YOUR COMMUNITY?

- (1) _____ Yes
 (2) _____ No

32b. IN THE FUTURE, WHERE WILL THE NEED BE GREATEST IN TERMS OF SERVICES AND PROBABLE CLIENTS IN YOUR COMMUNITY?

- | <u>Services</u> | <u>Clients</u> |
|------------------------|--|
| (1) _____ Food | (1) _____ Homeless |
| (2) _____ Shelter | (2) _____ New unemployed |
| (3) _____ Employment | (3) _____ Low income, welfare ineligible |
| (4) _____ Training | (4) _____ Elderly |
| (5) _____ Medical care | (5) _____ Youth |
| (6) _____ Other | (6) _____ Other |

33a. DO YOU FEEL THE PUBLIC WELFARE AGENCIES IN YOUR COMMUNITY WILL BE ABLE TO MEET THESE NEEDS?

- (1) _____ Yes
 (2) _____ No

33b. IF AN EFSP WERE REPEATED, WOULD YOU PARTICIPATE?

- (1) _____ Yes
 (2) _____ No (Ask why)

IN TERMS OF YOUR INTERACTIONS WITH OTHER COMMUNITY MEMBERS AS A RESULT OF THE EFSP,

34a. HAVE YOU HAD GREATER INTERACTION WITH OTHER SERVICE PROVIDERS?

- (1) _____ Yes (describe)
 (2) _____ No

34b. HAVE YOU HAD A GREATER INTERACTION WITH LOCAL GOVERNMENT OFFICIALS?

(1) Yes

(2) No

34c. DID PRIVATE NONPROFIT ORGANIZATIONS PROVIDE SOME SUPPORT?

(1) Yes (describe--financial, in-kind?)

(2) No

34d. DID PRIVATE FOR-PROFIT BUSINESSES PROVIDE SOME SUPPORT?

(1) Yes (describe--financial, in-kind?)

(2) No

35. DO YOU FEEL YOUR COMMUNITY IS MORE AWARE OF THE PROBLEMS OF THE POOR OR HOMELESS AS A RESULT OF THIS PROGRAM? HOW SO? WHAT MORE ARE THEY DOING OR PLANNING TO DO ON A CONTINUING BASIS THAN THEY DID BEFORE EFSP?

F. EFSP AND FEDERAL PROGRAMS

36a. DID YOU HAVE ANY DEALINGS WITH PEOPLE FROM FEMA, THE NATIONAL BOARD, OR THE UNITED WAY REGARDING THE EFSP?

(1) Yes

(2) No [Go to 37]



36b. HOW WOULD YOU CHARACTERIZE YOUR DEALINGS WITH THEM [Quality of cooperation, interaction]?

37a. WERE YOU ABLE TO COORDINATE YOUR EFSP PROGRAM WITH OTHER FEDERAL PROGRAMS SUCH AS USDA SURPLUS COMMODITIES?

- (1) _____ Yes
(2) _____ No
(3) _____ No other federal program involvement [Go to 38]

37b. WITH ENERGY ASSISTANCE OR WEATHERIZATION PROGRAMS?

- (1) _____ Yes
(2) _____ No

37c. WITH FOOD STAMPS?

- (1) _____ Yes
(2) _____ No

37d. WITH EMPLOYMENT AND TRAINING PROGRAMS?

- (1) _____ Yes
(2) _____ No

37e. WHAT WAS THE QUALITY OF THESE EFFORTS TO COORDINATE? DID THEY WORK WELL, POORLY, OR NOT AT ALL? WHY?

38a. DID YOU KNOW THAT CONGRESS SET ASIDE FUNDS FOR THE USE OF MILITARY INSTALLATIONS FOR SHELTERS?

- (1) _____ Yes
 (2) _____ No

38b. WOULD YOUR ORGANIZATION BE INTERESTED, OR ABLE, TO USE THESE FACILITIES?

- (1) _____ Yes
 (2) _____ No
 (3) _____ No installation available for use

39a. DO YOU FEEL THERE SHOULD BE A CONTINUED FEDERAL ROLE IN PROVIDING FOOD AND SHELTER SERVICES?

- (1) _____ Yes
 (2) _____ No

39b. WHAT SHOULD THE FEDERAL ROLE BE? OR -- WHY NOT?

40. IN GENERAL, HOW DOES THE EFSP COMPARE TO OTHER FEDERAL PROGRAMS YOUR ORGANIZATION HAS PARTICIPATED IN?

C. EXEMPLARY PROGRAMS

WE ARE INTERESTED IN IDENTIFYING EXCEPTIONAL EFSP PROGRAMS THAT WOULD PROVIDE A MODEL FOR OTHER ORGANIZATIONS AND OTHER COMMUNITIES.

41a. ARE THERE ASPECTS OF YOUR PROGRAM THAT ARE PARTICULARLY INNOVATIVE?

- (1) _____ Yes (describe)
 (2) _____ No [Go to 43]

- 41b. WOULD IT WORK AS WELL IN DIFFERENT REGIONS OF THE COUNTRY? OR WITH DIFFERENT WEATHER?
- (1) _____ Yes
(2) _____ No
42. WOULD YOU BE WILLING TO HAVE ANOTHER EVALUATOR VISIT YOUR PROGRAM TO MAKE AN IN-DEPTH STUDY OF YOUR PROGRAM?
- (1) _____ Yes
(2) _____ No
43. ARE THERE ANY OTHER PROGRAMS YOU CAN RECOMMEND THAT YOU FEEL ARE EXEMPLARY OR MIGHT BE GOOD PROGRAMS FOR OTHER COMMUNITIES TO KNOW ABOUT OR ADAPT FOR THEIR OWN USE?
- (1) _____ Yes (Where, contact person, and number)
(2) _____ No
44. IS THERE ANYTHING ELSE YOU WANT TO SAY ABOUT THIS PROGRAM?

END

[Thank them profusely for their cooperation.]



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